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U.K. Rejects Death Penalty For Terrorists

LONDON — Members of the House of Commons decisively rejected on Wednesday the restoration of capital punishment for terrorist murders.

The vote of 361-245 against restoration of the penalty for terrorist crimes, a majority of 116 in the 650-seat House, came on an amendment to a bill to restore capital punishment for murder.

The vote foreshadowed total defeat of a return to hanging in Britain for the fifth time since capital punishment was suspended in 1965 and "permanently" abolished in 1969.

(Earlier story, Page 2)

U.S. Links Sanctions On Poland, Amnesty

WASHINGTON — The United States has told Poland that it will take steps to relax some of the sanctions imposed at the time martial law was declared if Warsaw releases a significant number of political prisoners, it was reported Wednesday.

This message was conveyed to Poland's chargé d'affaires, Zdzislaw Ludzinski, by Lawrence S. Eagleburger, the U.S. undersecretary of state for political affairs, last week in the most substantive meeting between the two nations in many months.

Hoping to lend encouragement to Polish authorities to carry out some liberalizing steps in coming weeks, the Reagan administration told the Poles that if substantial numbers of political prisoners were released, the United States would agree to join with other Western nations on July 29 to consider rescinding Poland's outstanding debt to Western nations, thereby allowing Poland to be eligible again for Western loans.

Poland owes Western governments and banks approximately \$26 billion, of which about \$11 billion is to governments. It owes the U.S. government about \$2 billion.

Washington would also permit Poland to negotiate with the United States to recover some of the fishing rights in U.S. waters that were taken away as one of the sanctions announced by President Ronald Reagan in 1981.

Mr. Reagan imposed the sanctions two weeks after the Polish leader, General Wojciech Jaruzelski, announced the suspension of civil liberties, the arrest of thousands of political figures and the dismantling of Solidarity, the independent trade union.

Other sanctions will remain, such as the ban on economic assistance and on the sale of high technology. So will the revoking of Poland's normal tariff status by Mr. Reagan in October 1982 after Solidarity was declared illegal.

Polish authorities have allowed articles to appear in the controlled press in recent days suggesting that certain measures may be taken in coming weeks in connection with the Polish national holiday on July 22. U.S. officials remain skeptical.

One U.S. official noted that the Polish authorities formally suspended martial law at the end of 1982, but retained many of its provisions. There are believed to be as many as 4,000 to 5,000 political prisoners still in detention, although the Polish government asserts that there are fewer than 200.

Despite the suspension of martial law, military courts still handle many cases, and important mines and factories, as well as the transportation system, remain militarized. Moreover, the civil criminal code was enlarged to include certain of the suspended martial law regulations, such as those banning distribution or ownership of illegal pamphlets, films, tapes or publications, and making the creation of disorder a crime.

What officials here are paying closer attention to is the possibility of an amnesty for political prisoners as well as for opponents of the government who are in hiding. The Poles were told specifically that the rescheduling of debts and the restoration of some fishing rights would be in response to a significant release of prisoners, officials said.

Polish Backs Relaxation

The Polish Politburo has endorsed a call for lifting martial law, putting Poland one step closer to a formal end of the 19-month-old crackdown. The Associated Press reported Wednesday from Warsaw, quoting the state-run press.

Government spokesman Jerzy Urban said Politburo approval would have to be followed by the "lithary council, which is expected to vote."



Riot police advancing on students who were demonstrating at the University of Chile on the eve of a national day of protest.

Chileans Protest Despite Curfew, Arrests

SANTIAGO — Arrests of opposition leaders, censorship, a military curfew and other intimidatory measures contained — but did not stamp out — Chile's third "national day of protest" against the government of President Augusto Pinochet.

The authorities confirmed that a 19-year-old woman was shot from a car during curfew hours Tuesday night, and a 15-year-old was wounded critically in a similar incident near a working-class neighborhood.

At least 120 arrests for curfew violations were made here and in Concepcion.

Demonstrators in some shantytown areas defied the ban on being in the streets from 8 P.M. to midnight and put up flaming barricades of gasoline-soaked tires.

However, the scattered violence was overshadowed by the overwhelming response throughout the city to the main thrust of the nonviolent protest — the beating of pots and pans from inside homes where residents were confined by the curfew.

The din could be heard everywhere in Santiago, a city of four million people, for more than two hours. It was even more extensive and prolonged than on the two earlier days of protest, May 11 and June 14, when no curfew was imposed.

In many areas, military patrols fired warning shots. The soldiers were subjected to shouted insults and demands for "democracy now," as well as the release of political and union leaders who are under arrest. They include Gabriel Valdez, 64, the president of the outlawed Christian Democratic Party, and Rodolfo Seguel, president of the copper miners' union.

Hundreds of University of Chile law students interrupted their exams to hold a campus rally. To riot police in the street, they chanted in Spanish: "Policemen, understand us one more time, our struggle is not against you but against Pinochet."

After two months of this contest between the opposition and the military government, it appears doubtful that peaceful demonstrations will topple General Pinochet. Still, the government has not been able to eliminate the pressure for change from very large sectors of the population.

Julio Ponce, one of the president's sons-in-law, resigned Tuesday as general manager of the state-owned Chilean Development Corporation following allegations that he used influence for personal gain.

Another presidential relative was removed recently as head of the state insurance company after brokers complained that an insurance firm set up by General Pinochet's daughter, Lucia, had obtained an extraordinary amount of government business.

The arrest of Mr. Valdez, a former foreign minister who is widely known abroad as a United Nations official, has generated increasing international pressure on the regime.

An appeals court is hearing arguments for the release of Mr. Valdez, who has been held in solitary confinement by a judge's order since Saturday.

Interior Minister Enrique Montero has agreed to reconsider the dismissal of 850 copper miners who went on a protest strike last month in support of their leader, Mr. Seguel. He is facing a possible jail sentence on charges of calling an illegal strike.

All these international and internal political problems are generating growing pressure for some movement by the regime toward a more open system.

The unfolding drama is expected to reach a peak by the 10th anniversary of the military coup that overthrew President Salvador Allende, a Marxist. The anniversary, Sept. 11, is expected to be another day of national protest.

Pope Calls for Dialogue

Pope John Paul II called for justice and the respect of man in Chile, and said dialogue was needed to avoid violence. Reuters reported Thursday from Vatican City.

Speaking at his Wednesday general audience, the pope endorsed a declaration from Chile's bishops that warned the population not to use violence.

He also called on the authorities in Chile to waste no time in setting up effective dialogue so that violence could be avoided.

"I want to make mine the call from the bishops," John Paul said, "and invite everybody to pray for Chile."

He further asked concern for "the real temporal and spiritual well-being of the Chilean people."

U.S. Is Reported to Study Soviet Arms Curb Offer; Bid Stirs Hopes for Talks

WASHINGTON — Soviet arms negotiators made a new proposal last week that would limit the United States and the Soviet Union to about 1,100 multiple-warhead missiles and bombers, according to U.S. officials, but would let Moscow keep all the large missiles that most threaten the United States.

The proposal was made in Geneva at the U.S.-Soviet negotiations on long-range nuclear weapons.

The officials said the continued unwillingness of the Soviet Union to reduce its force of about 640 large SS-18 and SS-19 missiles means that the new proposal still fails to deal with the weapons about which the United States is most concerned.

But the new proposal may represent the most important move by the Soviet Union in a pattern of stepped-up activity in recent weeks at the Strategic Arms Reduction Talks, or START. Although U.S. officials describe that activity as generally cosmetic so far, they are still analyzing the new move to determine whether it is a signal that more serious bargaining can take place.

The new proposal indicates that the Soviet Union would agree to lower overall limits on multiple-warhead missiles, or MIRVs, than it agreed to in the 1979 SALT-2 strategic arms limitation agreement with the United States. That accord was never ratified by the United States.

But the key stumbling block remains the large Soviet missile. The SS-18s, which can carry 10 warheads each, and the approximately 350 six-warhead SS-19s theoretically are capable of wiping out U.S. land-based missiles in a first strike. The Reagan administration insists that the threat be removed.

Soon after the negotiations began in June 1982 the Soviet Union proposed an overall limit of 1,800 on what Moscow calls "strategic nuclear delivery vehicles," meaning ocean-spanning missiles and bombers.

U.S. officials said the Soviet Union did not modify that proposal until about three weeks ago, when it dropped demands that the United States sharply limit its submarine-based missile force and the range of cruise missiles carried aboard U.S. bombers. U.S. officials said the original Soviet demands were unacceptable.

Last week, according to the officials, the Soviet Union proposed a sublimit of 1,100 on MIRV missiles and bombers within the overall ceiling of 1,800 strategic nuclear delivery vehicles.

The Soviet Union was reported to have further divided this into three separate limits: one for bombers equipped with long-range cruise missiles, another for a combined total of all submarine-based and land-based MIRV missiles, and a third for land-based MIRV missiles, which are the most accurate and threatening.

Soviet negotiators, however, placed no restriction on which specific missiles could be fielded within the general categories.

Officials suggested that the Soviet proposal would allow about 700 land-based multiple-warhead missiles, which would mean all the existing SS-18s and SS-19s, plus some four-warhead SS-17s, to be retained or replaced by more modern versions. It also reportedly would allow for about 150 missile-equipped bombers.

The new Soviet proposal reportedly follows closely the formula in the earlier SALT-2 accord. Under SALT-2, both sides would have frozen their total missile and bomber force at 2,250, with a sublimit of 1,320 on MIRV missiles plus missile-equipped bombers, with a maximum of 820 of those MIRV missiles on land.

Moscow is now suggesting 1,800 total weapons with a sublimit of 1,100 MIRVs, about 700 of those on land, sources said.

The original U.S. proposal at the strategic arms talks called for each side to have only 850 missiles. But President Ronald Reagan recently announced that he would increase that number, if necessary, to what officials said would be about 1,100 or 1,200.

Soviet Flexibility Reported

Two top U.S. spokesmen said Wednesday that the Soviet Union recently presented new data elaborating on its strategic arms position, giving rise to hope that the Soviet Union may be introducing some flexibility. The Associated Press reported from Washington.

Larry M. Speakes, the White House deputy press secretary, and John R. Hughes, the State Department's chief spokesman, refused to confirm or deny the specifics of a published report in The Washington Post that the Soviet Union now has proposed limiting each side to 1,100 strategic bombers and multiple-warhead nuclear missiles.

"During this round," the state-

(Continued on Page 2, Col. 4)

Severe Laws on Protest Are Ordered by Bonn

BONN — Worried over the likelihood of violent clashes this fall during expected demonstrations against the deployment of new U.S. nuclear missiles, the government of Chancellor Helmut Kohl agreed Wednesday to severely tighten West Germany's laws on demonstrations and the right of assembly.

In the future, a participant in a political rally that turns violent will be open to criminal prosecution unless he or she can show an active attempt to prevent the violence. It will not be enough simply to have refrained from violence and to have no connection with violent troublemakers that may have infiltrated the rally.

The decision, which is certain to be confirmed by the Bundestag, is regarded as a victory for the interior minister, Friedrich Zimmermann, the Bavarian who has emerged as the government's most ardent law-and-order advocate.

It is a defeat for the Free Democrats of Foreign Minister Hans-Dietrich Genscher, the small party that regards itself as the guardian of civil rights within the ruling coalition.

The Free Democrats withdrew their objection to the clause after several weeks of sometimes bitter debate with Mr. Zimmermann.

Mr. Zimmermann dropped, at least temporarily, his request to make it a criminal offense for a demonstrator to wear any "concealment" or to carry "passive arms." Neither term had been defined, but "concealment" could have meant wearing scarves or helmets and "passive arms" might be anything down to glass bottles of apple juice.

The change in the law has been criticized in some respected West German newspapers and called part of a systematic drive by Mr. Zimmermann to restrict the civil rights contained in the West German constitution.

The new law would make a person guilty unless he or she can prove innocence. An objection to this was voiced by the German Union of Judges and Lawyers in a statement before Wednesday's government decision.

The controversy is the most hotly debated domestic issue since the German Constitutional Court in Karlsruhe in April forced the government to call off a sweeping statistical survey of the population that it found would have amounted to an invasion of civil rights.

Critics of Wednesday's action have served notice that they will appeal to the same court.

Not all the criticism against the new laws has come from activists in the civil rights field.

The president of the Federal Court, Gerd Pfeiffer, pointed out that the constitution grants the right to peaceful demonstrations and police already have the power to intervene against armed demonstrators and others who seek to impose their will by violence or threats of violence.

The new provisions could make it possible "for a dozen radical troublemakers to rob thousands of peaceful demonstrators of their rights by turning them into criminals," Mr. Pfeiffer said in an interview with the magazine, Der Spiegel.

It has been pointed out also that parliamentary confirmation in the fall will come too late to make the changed law effective at the time the demonstrations against deployment of the North Atlantic Treaty Organization missiles are scheduled to begin in early September.

Some leading police officials have called the project unworkable. It will be difficult for them to deal with small groups of possibly armed young people determined to infiltrate peaceful demonstrations and turn them violent.

This happened in the town of Krefeld near Düsseldorf during a visit of U.S. Vice President George Bush two weeks ago.

Youngs wearing helmets and ski caps and carrying banners and crucifixes — operating with military precision — clashed violently with police while a short distance away large crowds demonstrated peacefully.

Informed officials estimate that in West Germany there are about 3,000 to 4,000 "autonomous" troublemakers bent on violence, while at least a million peaceful citizens are expected in demonstrations against the NATO missiles in various parts of the country.



Friedrich Zimmermann

Arafat May Have Lost the Initiative Syria Is Trying to Keep Him in the Political Wilderness

BEIRUT — Efforts to heal the rift between Syria and Yasser Arafat appear to have reached a dead end.

Rather than settle its differences with the chairman of the Palestine Liberation Organization, the Syrian government of President Hafez al-Assad seems intent on keeping Mr. Arafat stuck in the political wilderness of his Tunis headquarters.

In the last three days, Mr. Arafat has repeated publicly his contention that the Syrians are backing the rebellion against his leadership. Mr. Arafat heads el-Fatah, the largest PLO faction. As he sees it, the only way the rebellion can be quelled is through an Arafat-Assad settlement.

After nearly two weeks of shuttling between Tunis and Damascus, the six-man PLO mediation team has failed to persuade the Syrians to try to reach a settlement.

Foreign Minister Abdel al-Halim Khaddam of Syria is understood to have told both the PLO mediators and those sent by Saudi Arabia late last week that his country has nothing to do with the Fatah revolt.

The mediators were also told, according to PLO sources, that if Mr. Arafat wants to patch up relations, Syria expects him to publicly apologize, agree to rebel demands that he share power with them and denounce all compromises with Israel.

Mr. Arafat has rejected these conditions. It would seem only a matter of time before the mediators call it quits and both sides go back to trying to influence each other in the Bekaa Valley and elsewhere through other means.

As a senior unidentified PLO official told the Kuwait newspaper, Al-Qabas: "If the current mediation attempts fail to heal the rift between Fatah and Syria, then the PLO might resort to underground secret operations. The targets would not merely be Israeli interests."

The Syrians have underlined the bitterness of the dispute in two rather graphic ways.

The first, according to a senior PLO official in Tripoli, Lebanon, was the disappearance of Mr. Arafat's personal secretary in Damascus, Mohammed al-Amri.

He was the only trusted aide Mr. Arafat left behind when he was expelled from Syria on June 24. Palestinian officials are convinced that the Syrians arrested him Saturday while he was in the north Syrian town of Homs on his way from Tripoli to Damascus.

Second, the newspaper Tishreen published probably the most vicious commentary ever to come from a government-run Syrian news organization about Mr. Arafat, calling him a traitor.

Referring to Mr. Arafat's refusal to give in to the rebel demands, the newspaper said: "Palestinian organizations and fighters who demanded organizational or political reforms have failed in correcting the deviationist course of the traitor who resorted to arms against them."

The paper then added, in reference to Mr. Arafat's avowed to protect the independence of Palestinian decision-making from Arab interference, that the only independent decision is the one that seeks the right of the Palestinians to an independent state and total Israeli withdrawal from occupied territory.

In a final slap, the newspaper reminded Mr. Arafat that Palestine (Continued on Page 2, Col. 5)

Native Greenlanders Find Denmark's Welcome Can Be Cool

COPENHAGEN — For two centuries Denmark ran its Greenland colony as a closed society. Outside of Danish fishermen, seal hunters and priests, no one was allowed into Greenland and the indigenous people were not allowed to travel beyond their Arctic lives.

Thirty years ago, when it was apparent that appalling health conditions were killing off the Greenlanders, who are mostly of Eskimo origin, the law was changed, and the vast tract of frozen land was incorporated into the kingdom of Denmark.

The opening of Greenland has brought radical changes for its people, and those who have undergone the most jolting cultural shock of all have been those who have traveled 2,500 miles (4,000 kilometers) to settle in the mother country.

It has not been, most Danes acknowledge, a happy experience for everyone.

"The dream was to bring the young people to Denmark to give them a higher education that was not available in Greenland," Lars Petersen of Greenland House in Copenhagen explained. "The reality was that the young people couldn't handle the shock of the culture, the climate and the freedom of a modern city." Many of them fell into alcoholism and drug abuse.

Greenland House is one of several private Danish organizations that help Greenlanders who cannot cope with life in Denmark but refuse to return to Greenland, even though the government offers to pay for the trip.

"Many of the people who come here can't find work and many don't have a place to live," said Mr. Petersen, the son of a seal hunter who grew up in a settlement on Greenland's western coast, the region where most of Greenland's population of 50,000 lives.

Because Greenlanders are Danish citizens, no official figure exists on how many have settled in Denmark. The most widely quoted estimate is 5,000.

For many years, about 2,000 Greenlanders were sent to Denmark each year for training. But after years of improving Greenland's school system — illiteracy is now unknown there — the flow dropped to a thousand college students a year.

About 50 percent find the academic work too difficult and drop out, according to Poul Christensen of the Greenland Home Rule office in Copenhagen. Most success is found in training skilled workers and clerks.

"The Greenlanders who succeed almost all want to go back home where they will be favored for jobs," Mr. Christensen said. "If they stay in Denmark, they will almost always be in the back of the line."

Another group of Greenlanders who face adjustment problems are those who marry Danes working temporarily in Greenland and then come here with their spouses. Almost all the people in this group are women who married skilled workers who were employed on projects in Greenland.

When the job ends and they move to Denmark, one of Europe's most advanced and homogeneous societies, many of them run into marital difficulty. Mr. Christensen said.

Many Danes are tired of paying generous welfare benefits to Greenlanders who, in Greenland, would receive half the amount for goods that are twice as expensive. Most antagonism directed at the Greenlanders is found in the capital.

"There's no question they have a bad reputation," Mr. Grann said. "Because they grew up in the Arctic seasons, they don't respect times to be quiet. They invite guests to their rooms and have drinking parties all night long, so it's hard for them to find rooms. Many taxis won't pick them up because they don't pay their fares."

He estimated that only 500 of the 5,000 Greenlanders in Denmark had fallen into anti-social behavior.

Aku Erngsen, 24, an unemployed Greenlander on welfare in Denmark, says: "We come from a primitive culture, with the family in the center of an enormous collective, into a cool society. That's why we drink so much. In Denmark you're strictly on your own, and a lot of people can't handle the freedom or the loneliness."

Mr. Erngsen has been in Denmark four years and said he had no desire to return to Greenland because he wants to be a rock musician. He said his homeland offered little opportunity for him other than work in a fish factory.

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450 Reinforcements From Zaire Arrive in Chad to Fight Rebels

Compiled by Our Staff From Dispatches
NDJAMENA, Chad — A total of 450 Zairean troops arrived here Wednesday as part of a force that eventually will number about 2,000 to help Chad's President Hissène Habré in his struggle against Libyan-backed rebels.

The government announced Tuesday night that it had recaptured the key eastern town of Abéché, which fell to rebel troops last weekend.

The troops landed in separate groups of 300 and 150. Three Mirage fighter bombers from Zaire accompanied the second group of troops, marking their arrival by overflying the city.

The troops join 250 Zairean paratroopers dispatched to Chad on July 3 along with three Italian-built Maschi fighter bombers from the Zaire Air Force. The remaining troops promised by President Mobutu Sese Seko are expected in the coming days to help Mr. Habré repel rebel forces of former President Goukouni Oueddei.

Colonel Lengha Lengha, Zaire's ambassador to Chad, said that the troops would be "at the disposition of the Chadian high command, which can use them at any time and where it wants."

The paratroopers remained in the capital where they are training daily. Colonel Lengha said. The Maschi aircraft, he said, so far have been used for "reconnaissance missions."

The French-built Mirages have a longer combat range than the Maschi aircraft.

A group of foreign correspondents was taken to Abéché Wednesday in an apparent effort to disprove claims by rebels that they were in control of the town, which determines access to the major road to the capital.

The capture of Abéché, a town of 40,000 near the Sudanese border, was described as a major turning point in the government's efforts to repel the rebels.

Zaire is the only African country to have answered Mr. Habré's call for troops. Zaire's military presence is aimed at defending the capital and its airport but its support was denounced Tuesday by Libya's chargé d'affaires in Paris as a "direct threat against Libya's security."

Zaire's foreign minister, Kamanda Wa Kamanda, who is touring African capitals to explain his country's move, told Ivory Coast authorities Tuesday that "Libya's destabilization efforts had to be stopped."

He was quoted by official sources as telling the acting president of the Ivory Coast, Auguste Denise, "African states must act and take their responsibilities vis-à-vis Chad."

Mr. Goukouni, who was driven from power 13 months ago by the then-rebel forces under Mr. Habré's command, launched an offensive last month from his base at Bardai in extreme northern Chad. He took the key northern city of Faya-Largeau and then moved into eastern Chad taking a series of towns there, including Abéché, the main town on the East-West road to Sudan.

A government counterattack that began over the weekend, however, succeeded in retaking the oasis of Oum Chalouba, north of Abéché, cutting Mr. Goukouni's supply lines. After several days of fierce fighting, the government forces took Abéché back.

Officials said that among 70 prisoners taken in the fighting for Abéché were a number of Libyans. Sources said the Libyans would be brought before the press once they have been transferred to Ndjamena.

Some Western analysts are saying the war may have reached a turning point.

Chad's Foreign Minister Idriss Miskine, stopping in Paris on a previously planned trip to China, renewed his government's appeal for French troops.

"Chad is living in a dramatic time," Mr. Miskine said at a news conference Tuesday. "The situation has reached a level of unprecedented gravity and France should be present. The problem is not limited to Libyan expansionism. Behind them is Russia."

"If France wants to safeguard its friends and relations, it must intervene immediately in Chad because history will judge its actions."

Mr. Miskine met with two French officials during his stopover — Guy Penne, President François Mitterrand's special adviser on African affairs, and Jean Aussel, director of African affairs at the Foreign Ministry. No details were revealed, and there has been no official French comment on Chad's call for troops.

France has been sending large quantities of military supplies to the Habré government since the beginning of the rebel offensive, but officials in Ndjamena have called the aid insufficient.

President Goukouni of Sudan, in an interview published Wednesday, called for the expulsion of Libya from the Organization of African Unity for what he described as its "flagrant invasion" of Chad, United Press International reported from Cairo.

Speaking to the magazine Akher Sas, General Nimeiri dismissed the alleged Libyan threat to Sudan as "bubbles." He said both Egypt and Sudan are prepared to provide assistance to the "legitimate" government of President Habré.

"Libya is playing havoc with the policy of the OAU," General Nimeiri said. "The OAU, therefore, should not only check it but also expel it. In fact, Libya should have been expelled a long time ago."



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U.K. Parliament Begins Debate on Restoration Of the Death Penalty

Compiled by Our Staff From Dispatches
LONDON — The cabinet minister responsible for law enforcement declared himself in favor of punishment for terrorist murderers Wednesday as debate began in Parliament on the restoration of hanging in Britain.

Politicians believed the outcome would be so close that a handful of votes among the 650 members of Parliament could decide the issue.

Leon Brittan, a lawyer appointed home secretary after Prime Minister Margaret Thatcher won a landslide election victory last month, told the House of Commons: "I will vote for the restoration of capital punishment for murder resulting from acts of terrorism."

But Mr. Brittan said he would vote against five other motions at the end of the debate.

These motions, offered by right-wing members of Mrs. Thatcher's Conservative Party, would restore hanging for murder, for killing police officers, for killing prison officers, for murder by firearms or explosives and for murder during an act of theft.

The motion on capital punishment itself, introduced by Sir Edward Gardner, a Conservative member, said simply: "This House favors restoration of the death penalty for murder."

Opening the debate, Sir Edward said Parliament faced "a momentous and agonizing decision," adding that "it is the inescapable duty of the state to protect its citizens in the most effective way that is available from unlawful violence and death by murder."

Roy Hattersley, the Labor opposition's spokesman on home affairs, said he was "wholly and irrevocably opposed to the reintroduction of capital punishment. To legislate for the judicial execution of a man or woman held

in the state's safe custody would be a reversion to barbarism."

To reserve the death penalty for terrorists would "concede one of the IRA's most passionate demands — that their crimes should be treated differently," Mr. Hattersley told Mr. Brittan, referring to the Irish Republican Army.

Public opinion appeared strongly in favor of capital punishment. One newspaper poll showed 93 percent of those surveyed favored hanging, while another said 78 percent supported the idea. But the upper and professional classes were found to be strongly against the change.

The death penalty for murder was abolished in Britain in 1965 but hanging remains on the books as the punishment for treason, violent piracy and arson in the royal dockyards.

Mr. Brittan was the only member of Mrs. Thatcher's cabinet due to speak during a scheduled 6½-hour debate in Commons. He acknowledged the publicly expressed misgivings over restoration of the death penalty held by James Prior, secretary of state for the province of Northern Ireland, where IRA guerrillas are trying to end British rule.

Mr. Prior warned supporters of hanging last week that capital punishment would encourage terrorism in Northern Ireland.

Four soldiers were killed by a bomb in the province Wednesday, only hours before the hanging debate. The IRA claimed responsibility.

There has been little public outcry over the retention of the death sentence.

In the Soviet Union, the publicity given to trials ending in the death sentence suggests that the authorities regard the penalty as a deterrent. Gross corruption and currency speculation are among the list of crimes punishable by shooting.

In Italy, some politicians called for restoration of the death penalty in the 1970s amid terrorist violence, but pressures have faded.

Guerrillas and others convicted of terrorist offenses in South Africa are hanged. In 1982, 100 people were hanged in the country.

None of the Scandinavian countries has a death penalty.

In Iran, courts set up after the Islamic revolution in 1979 have ordered executions of members of various political groups and spies. Courts have passed death sentences on murderers and, under a recent law, executions may be carried out in some cases by a member of the victim's family.

The death penalty exists in Turkey, but there were no executions between 1974 and the September 1980, when a military government seized control.

Since the takeover, 46 people have been executed, mainly for political killings during violence preceding the coup.

Pérez de Cuéllar Seeks To Foster Use of French

The Associated Press
UNITED NATIONS, New York — Secretary-General Javier Pérez de Cuéllar is encouraging the use of the French language among UN employees in offices here and around the world, his spokesman disclosed Tuesday.

The spokesman, François Giuliani, made public a bulletin that Mr. Pérez de Cuéllar had sent to staff members pointing out that official secretariat policy requires every one of them to work in either English or French.

It is little they can do to influence Damascus.

As one of Mr. Arafat's associates in Tunis noted regretfully last week, with the distance between them and Syria, they cannot form a government, which has never had a wide popular base.

Mr. Arafat suggested removing his supporters from Lebanon's central Bekaa Valley, where they are held as virtual hostages by the Syrians, and deploying them around loyalist Arafat strongholds along the coast and near Tripoli. The Syrians have reportedly rejected this and are in a position to make sure Mr. Arafat does not carry it out.

WORLD BRIEFS

U.S. Denies Telegrams on Papal Plot

ROME (UPI) — Peace and War, a leftist magazine, said Wednesday it had received photocopies of telegrams indicating that the U.S. ambassador in Rome, Maxwell M. Rabb, had worked out a plan to link Bulgaria to the shooting in 1981 of Pope John Paul II and thus discredit the Soviet leadership.

"No such telegrams were ever sent," the U.S. Embassy responded. "We assume that the two documents are intended to discredit the United States as well as the Italian magistracy that is investigating the possible involvement of Bulgarian agents in the papal assassination attempt."

The weekly magazine said it received the photocopies of the purported telegrams in the mail, but it did not know who sent them.

Protest Reported in Soviet Georgia

MOSCOW (Reuters) — About 100 people demonstrated in the Georgian capital of Tbilisi this week to protest the arrest of two students for distributing nationalist leaflets, dissident sources said Wednesday.

They said by telephone that 20 people were detained, then released, at the protest, which they said took place Monday. Georgian sources said last month that two students were arrested June 15 in Tbilisi for handing out pamphlets opposing a 200-year-old treaty annexing Georgia to Russia.

They said the pamphlets described the treaty as a tragedy for Georgia and called on Georgians to boycott celebrations marking the 200th anniversary. Georgia is one of the Soviet Union's 15 constituent republics and there have been previous reports of nationalist protests there.

South African Extremists Face Trial

PRETORIA (Reuters) — Eugene Terre Blanche, the leader of a South African white supremacist group, and three of his associates will face terrorism charges, the attorney general of Transvaal province said Wednesday.

The men, all affiliated with the extremist Afrikaner Resistance Movement, are accused of attempting or planning to overthrow the South African government through violence. The charge carries a minimum prison sentence of five years.

The four were arrested in connection with the discovery of a cache of arms, including several AK-47 rifles, thousands of rounds of ammunition, a 20-millimeter rocket, anti-personnel mines and several camouflage outfits. Last month, Mr. Terre Blanche received a suspended prison sentence for illegal possession of arms and ammunition.

U.S. Rejects Drug Firms' Ad Claims

WASHINGTON (AP) — The Federal Trade Commission ruled Wednesday that advertising claims for some of the nation's best-known, over-the-counter pain relievers have been misleading and ordered the drug manufacturers to drop claims of superiority unless they have proof.

The decision affects Bufferin, Excedrin, Bayer Aspirin, Cape, Vioquel and Midol products made by Bristol-Myers Co. and Sterling Drug Inc.

Such claims as Excedrin being better than aspirin and Bayer being superior to other brands of aspirin have not been adequately substantiated and must be dropped unless clinical proof is provided, the FTC ruled. The commission also said Bristol-Myers had falsely claimed that doctors recommend Bufferin more than any other nonprescription pain reliever. The ruling also said Sterling lacked support for claims that its Bayer products have greater purity, stability, freshness or disintegration speed.

Israelis to Settle in Heart of Hebron

TEL AVIV (UPI) — Defense Minister Moshe Arens said Wednesday that Israel will rebuild Hebron's Jewish quarter, settling Jews in the heart of the Arab city on the occupied West Bank.

Mr. Arens dismissed arguments that Jews should not settle in the center of a heavily populated Arab region. "Such an argument is totally unacceptable in a democratic country like Israel," he told the Knesset. "Just as we reconstructed the Jewish quarter in Jerusalem, we will reconstruct the Jewish quarter in Hebron, which was destroyed in 1929."

But Amnon Rubinstein, a legislator who was instrumental in successfully demanding an investigation of the Palestinian massacre in Beirut last year, warned, "You don't solve a national conflict by exacerbating it, by putting a fanatic religious Jewish element into the heart of a fanatic religious Moslem town."

Senate Approves Nerve Gas Weapons

WASHINGTON (AP) — With Vice President George Bush casting the deciding vote Wednesday, the Senate approved 50-49 the production of new nerve gas weaponry for the first time since 1969.

The vote came amid Senate debate on a \$200-billion military authorization bill for the fiscal year 1984 that will include efforts to kill two weapons critical to President Ronald Reagan's military buildup, the MX missile and the B-1 bomber. The two weapons are likely to survive the test.

Opponents of the weaponry said it was unnecessary and inhumane, but supporters contended that the Soviet Union would negotiate seriously to reduce its own stockpile only if the United States modernizes and increases chemical weapons. In June, the House voted 256-161 to kill the nerve gas program, and the disagreement must be resolved in a congressional conference committee.

Sale Deal for U.S. 'Sex Tapes' Alleged

LOS ANGELES (AP) — Larry Flynt, publisher of Hustler magazine, said Wednesday that a California lawyer, Robert E. Steinberg, had agreed to sell copies of purported tapes that Mr. Steinberg says show Vicki Morgan, a model who was murdered last week, and high government officials, and then failed to deliver them.

On Tuesday, Mr. Steinberg said the videotapes were stolen by a reporter he refused to name. Hours after making the statement, Mr. Steinberg was ordered to produce the tapes in court or explain to a judge's satisfaction what happened to them. The alternative, the judge said, was a contempt citation.

Chief Deputy District Attorney Jim Bascue, whose office subpoenaed the tapes in its inquiry into Miss Morgan's death, said that apart from Mr. Steinberg's statements there is no evidence that such tapes exist.

U.S. Withdraws Visa Right of Chinese

WASHINGTON (AP) — The United States has withdrawn the right of Chinese citizens to cross the United States without a visa in retaliation for China's alleged harassment of U.S. travelers seeking to cross China, the State Dept. said Wednesday.

John R. Hughes, the department's chief spokesman, said that the U.S. decision to withdraw the travel privilege went into effect June 30. Mr. Hughes said that while the two nations negotiated their relations in 1979, both granted the other citizens the right to cross their national territories without a visa. However, he said, U.S. citizens recently have been detained and fined for failure to obtain a Chinese visa.

Mr. Hughes added that since negotiations had failed to resolve the issue, the United States decided to withdraw the transit privilege of Chinese citizens.

For the Record

ISLAMABAD, Pakistan (AP) — Afghan guerrillas attacked Kabul airport Saturday, their second strike on the Soviet-controlled field this month, Western diplomatic sources said Wednesday.

GENEVA (Reuters) — U.S.-Soviet negotiations on European-based missiles will break Thursday for a recess of less than two months, Western officials said Wednesday.

STOCKHOLM (Reuters) — Lieutenant-Colonel Bertil Ståreberg, 51, a Swedish Air Force officer, was imprisoned Wednesday for six years for trying to sell military secrets to the East.



Deputy Foreign Minister Yao Guang of China met with reporters in Beijing Wednesday after two days of talks with Britain on the future of Hong Kong. Talks will resume July 25.

U.K. and China to Reconvene Talks On July 25 on Hong Kong's Future

BEIJING — Chinese-British talks on the future of Hong Kong will resume July 25 in Beijing, Chinese and British officials said Wednesday as the end of a preliminary round of negotiations.

A joint statement said "the two sides have had useful and constructive talks," but it gave no details.

However, sources close to the talks said both sides had made compromises to allow detailed discussions without an agreement on sovereignty, previously the main obstacle to joint planning for the future of the colony. Most of Hong Kong is ruled by Britain under a 99-year lease that expires in 1997.

The sources, who asked not to be identified, said issues discussed included administrative arrangements to maintain the prosperity and stability of Hong Kong, which Chinese officials have said is one of their main aims.

Britain was apparently not insisting that it could, in principle, retain control of Hong Kong island and Kowloon peninsula after the lease on the New Territories runs out, the sources said, while China no longer demanded that Britain yield on the issue before other problems were discussed.

Hong Kong island, the business center of the colony, was ceded by treaty in 1842 and 1860. The New Territories leased in 1898.

Talks on the colony began last September, when Prime Minister Margaret Thatcher of Britain visited Beijing.

The delegations, led by the British ambassador, Sir Percy Cradock, and Deputy Foreign Minister Yao Guang of China, met for just over three hours Wednesday, about as long as they met on Tuesday.

The governor of Hong Kong, Sir Edward Youde, joined the talks Tuesday, but Chinese officials have stressed he is only part of the British team and does not represent the 5.2 million residents of Hong Kong, most of them Chinese.

At present, no reliable voter eligibility list exists. In the last election, indelible ink, sensitive to ultraviolet light, was applied to a finger of each voter to prevent anyone from voting more than once.

The funds would be drawn from money already appropriated as economic aid, but Congress must agree to the spending plan. Other costs include \$900,000 for consultants to help run the system, about \$900,000 for international observers and \$200,000 for consultants to help establish voting procedures.

The program would be administered by the Agency for International Development. An AID official said he did not think the list could be completed by the end of the year. Ricardo Maida, chairman of the Salvadoran election commission, said last month that the elections should not be held unless such a list is complete.

Soviet Offer Is Reported

(Continued from Page 1)

ment said, "the Soviets have provided additional information elaborating their proposal. We hope that the further information they have provided indicates a Soviet intention to show similar flexibility to ours and to move the negotiations forward."

Meanwhile, Richard N. Perle, assistant secretary of defense for international security policy, said the Soviet Union has proposed limits lower than in SALT-2, but that those limits were still too high.

Official Assails Critics

Earlier, Hedrick Smith of The New York Times reported from Washington.

Mr. Perle said Tuesday that the critics of Mr. Reagan's arms policy are urging concessions that would leave the Kremlin with "a vastly larger strategic arsenal" than the administration is proposing.

He also told a congressional subcommittee that the administration would move ahead with each new weapons as the MX missile, the B-1 bomber, the Stealth bomber and the Trident-2 submarine and its new missile, even if an arms reduction agreement was reached with the Soviet Union.

"We won't get stability with an aging force," Mr. Perle asserted. He said that 71 percent of the U.S. strategic weapons are on launchers over 15 years old and a comparable part of the Soviet strategic arms are on launchers less than five years old.

U.S. May Finance Computer to List Salvador Voters

Los Angeles Times Service
WASHINGTON — The Reagan administration wants to contribute \$3.4 million in computer equipment and personnel to El Salvador to help the country hold its presidential election, planned for December, the U.S. State Department has announced.

The money, already in a fund for aid to El Salvador, would pay for a \$1.35-million computer to help the Salvadoran election commission prepare a list of the estimated 2.8 eligible voters, according to a statement released Tuesday.

At present, no reliable voter eligibility list exists. In the last election, indelible ink, sensitive to ultraviolet light, was applied to a finger of each voter to prevent anyone from voting more than once.

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Although Mr. Arafat and his aides in Tunis have been trying various strategies to deal with the Syrians and the rebels, it would appear that for the time being there is little they can do to influence Damascus.

As one of Mr. Arafat's associates in Tunis noted regretfully last week, with the distance between them and Syria, they cannot form a government, which has never had a wide popular base.

Mr. Arafat suggested removing his supporters from Lebanon's central Bekaa Valley, where they are held as virtual hostages by the Syrians, and deploying them around loyalist Arafat strongholds along the coast and near Tripoli. The Syrians have reportedly rejected this and are in a position to make sure Mr. Arafat does not carry it out.

Tutu Is Denied New Passport

JOHANNESBURG — Desmond Tutu, a black Anglican bishop who is one of the most widely known critics of apartheid, has been denied a passport to travel to North America and New Zealand, where he was to speak. He has been unable to regain his passport since the South African government withdrew it in 1981.

Handwritten note: "The Associated Press"

Worldwide, Views Vary On Capital Punishment

Reuters

LONDON — In West Germany and Sweden, capital punishment is viewed as barbaric, but in Saudi Arabia, South Africa and the Soviet Union the death penalty is commonplace.

Although Britons have been divided over whether to restore the death penalty for murder — a decision that was up to Parliament Wednesday — capital punishment is hardly an issue in many countries where it had been abolished, a survey shows.

Other governments execute rapists, people who use terrorism for political ends and armed robbers apparently with public approval, and see little need to debate the ethics of it or the effectiveness as a crime deterrent.

In Britain, the issue has rarely been out of public debate since the death penalty was abolished in 1965 except for treason and, under the 1837 Piracy Act, piracy with violence.

In many nations, capital punishment for civil crimes has been abolished for more than 40 years and there has been no serious suggestion that it should be brought back.

In the Netherlands, for example, the last time a person was put to death for a civil crime was in 1853.

In West Germany, which abolished the death penalty after the end of World War II, the government has campaigned internationally for the worldwide abolition of capital punishment.

2 Democratic Leaders Assail Investigation of Missing Carter Papers

By Martin Tolchin

New York Times Service

WASHINGTON — House Democratic leaders have expressed concern that a subcommittee's investigation of conduct in the 1980 presidential campaign will be perceived as partisan and divert attention from what they see as the fundamental flaws of the Reagan presidency.

But the subcommittee, at its first meeting since the onset of the investigation, informally agreed Tuesday to press ahead, overriding "Republican objections that the panel lacked jurisdiction and was engaged in a 'fishing expedition.'"

Attending the meeting was James Hamilton, who served as an aide to the Senate Watergate committee and is being considered for the post of special counsel to conduct the new investigation.

"I wish I had the blessings of the speaker," said Representative Donald J. Albosta, the Michigan Democrat who is chairman of the human resources subcommittee of the Post Office and Civil Service Committee, "but I know I have the majority of the people in the Congress."

Mr. Albosta said he would seek subpoena power, if necessary, to obtain Reagan campaign documents from the Hoover Institution of Stanford University, but added, "We must likely get a voluntary agreement with the principals involved."

A White House press spokesman said Mr. Hamilton had telephoned Fred F. Fielding, White House counsel, in an effort to reach an agreement on the Reagan campaign documents. Mr. Fielding was said to have promised to be helpful.

Representative Thomas P. O'Neill Jr., Democrat of Massachusetts

and speaker of the House, and Representative Jim Wright, Democrat of Texas and the majority leader, joined Republican leaders of the House and Senate on Tuesday in decriing the congressional investigation of how the Reagan campaign staff came into possession of Carter campaign material before a televised debate in 1980.

That criticism created a political anomaly. Mr. Albosta, a junior member of the House, has initiated an investigation opposed by his party's leaders. Although the leaders have called the matter trivial and regard the investigation as politically counterproductive, they have not sought to deprive Mr. Albosta of the resources he feels need to do the job.

"Do I think there should be a legislative investigation?" Mr. O'Neill asked. "No. Why? Because it will turn political. It will be Democrats versus Republicans."

At another point, the speaker said he preferred to see the White House suffer a lingering scandal. "Let Casey and Baker work it out," he said, referring to William J. Casey, director of central intelligence who is at odds with James A. Baker 3d, White House chief of staff, over what role Mr. Casey played in getting the documents case. "One will have to be hanged, but I'm not going to be responsible for the hanging."

Mr. Wright said of the alleged theft of the Carter documents, "These are not the fundamental wrongs of the Reagan administration. These wrongs, he said, include the president's economic program that favors the rich at the expense of the poor and his gutting of social programs.

The investigation was praised, however, by Representative Thomas S. Foley, Democrat of Wash-



Representative Donald J. Albosta, right, chairman of the House subcommittee investigating how Ronald Reagan's staff got Carter campaign material in 1980, walked with Representative William D. Ford, chairman of the full committee, after a briefing for members of Congress.

ington, the majority whip, who said he had told the subcommittee chairman that "I think he's approaching it in a rational, calm and orderly way."

Republican congressional leaders also opposed the investigation. Senator Howard H. Baker Jr., Republican of Tennessee, the majority leader, said, "Surely to goodness, we're not going to turn this into a total examination of every document in every campaign, adding, 'If that is the case, somebody ought to look at the Carter papers.'"

Representative Robert H. Michel, Republican of Illinois, the minority leader, said, "The propensity with this filibustering tale will remain with us until we finish." Despite the opposition of House Democratic leaders, Representative William D. Ford, Democrat of Michigan, chairman of the full committee, pledged full support for the subcommittee investigation.

Representative Benjamin A. Gilman of New York, the subcommi-

Civil Rights Panel Faults Reagan Budget

By Charles Fishman

Washington Post Service

WASHINGTON — The U.S. Commission on Civil Rights, half of whose members President Ronald Reagan has dismissed, has criticized the administration on the sensitive subject of education, asserting that a proposed 13-percent budget cut would seriously harm school programs for minority groups and the handicapped.

The report came as the Senate Judiciary Committee prepared to open confirmation hearings Wednesday on Mr. Reagan's nominees to replace three of the six commissioners. Mr. Reagan dismissed the three on May 25 to bring the commission in line with his own thinking on racial quotas and other issues.

A constant thorn in the administration's side, the commission essentially took the anti-Reagan side in the debate over federal aid to education as the administration be-

gan working to improve its image in education and civil rights. Secretary of Education T.H. Bell said in a statement that the report "distorts and undervalues what this administration is doing for education." Mr. Bell also said the report was "outdated by current events before it was issued."

The administration, he said, "will stand by the poor, the handicapped, the minorities and the advancement of education generally." In a statement announcing release of the report, Clarence M. Pendleton, the commission chairman, said, "At a time when the nation's educational system is in jeopardy, we can ill afford to reduce the federal commitment to equal educational opportunity."

In an interview later, however, Mr. Pendleton, who was appointed by Mr. Reagan, sought to put some distance between himself and the report.

"I am not as convinced that the non-increases or cuts really make

that much of a difference," he said, "because there will still be a gap between what local school districts have to do and what the federal government puts in."

The 124-page report said the administration was seeking almost \$2 billion less for education in the 1984 fiscal year than Congress approved for 1983, and that the Reagan budget would eliminate 34 programs.

"Many of the educational programs slated for cuts," the report said, "are those that have met with success in improving the quality of education for the neglected and the disadvantaged."

Such programs include those that provide remedial education to children from low-income families, education for American Indians, aid to minority groups and women pursuing graduate study and aid to desegregating school systems.

The report calls for Congress "to examine closely the proposed cuts," but "the message of the re-

port," said Commissioner Mary Frances Berry, one of those Mr. Reagan has dismissed, "is that Congress needs to reject the administration's budget once again and restore these cuts, as it did last year."

Mr. Reagan dismissed the commission's previous chairman, Arthur S. Flemming, in November 1981, and nominated Mr. Pendleton to succeed him.

The president's three new nominees are Morris Abram, 64, a New York lawyer and former president of Brandeis University; John H. Bunzel, 59, a senior research fellow at the Hoover Institution at Stanford University and former president of San Jose State University; and Robert A. Destro, 32, a law professor at the Catholic University of America.

Civil rights groups have accused Mr. Reagan of trying to stack the supposedly independent commission and stifle criticism.

U.S. City Weighs Risk Of Exposure to Arsenic

By Philip Shabecoff

New York Times Service

WASHINGTON — The Environmental Protection Agency is asking the citizens of Tacoma, Washington, to take part in a difficult decision: Should they accept some risk of cancer from arsenic in the air rather than face the probable closing of a jobs-providing copper smelter?

The federal agency has proposed a national standard for limiting, but not completely prohibiting, the emission of arsenic into the air. The rule would chiefly affect the copper smelter in Tacoma run by Asarco Inc., because that is the only one in the country that uses ore with high arsenic content.

In what William D. Ruckelshaus, the administrator of the environmental agency, described as a new policy of involving the public in the agency's task of managing the risks of pollution, an intensive campaign has been launched to inform the citizens of Tacoma of the risks of the proposed health standard and the alternative of closing the plant if the risk is to be eliminated entirely.

At the end of the campaign, the citizens will be asked to give their opinions at public hearings. In an interview, Mr. Ruckelshaus said that, while the final decision on whether to adopt the proposed standard would be his, the views of the citizens would weigh heavily in that decision.

The Rev. Jerry Falwell, president of Moral Majority, said Tuesday after the White House meeting that the revision was designed to attract additional support for Mr. Reagan's amendment from senators "who have been borderline for fear that some school board or board of education might compose a prayer and force the students to pray that prayer. It now becomes a matter where parents, children and teachers can decide."

Strom Thurmond, the South Carolina Republican who is chairman of the Senate Judiciary Committee, and others who favor school prayer had been asking for a prohibition on state-drafted prayers, according to a White House aide, Morton C. Blackwell.

The committee also is expected to consider another amendment that would allow silent prayer and meditation and the right of students to meet voluntarily for Bible study or prayer at school outside of class hours.

"I don't know what we'll do if there is a 50-50 split," he added. The new arsenic standard, which was required as of Monday under a federal court order, mandates the use of "best available technology" to reduce the emissions of arsenic at the Asarco smelter as well as at other copper smelters and some glass manufacturing plants. The proposed standard would require the Tacoma smelter to lower its arsenic emissions from 282 million grams a year to 172 million grams a year.

The agency reported that the risks of contracting lung cancer for people most exposed to the levels of arsenic now being emitted from the smelter are about nine in 100 over a lifetime. The estimated number of lung cancers in Tacoma produced by arsenic emissions from the plant are about four a year, the agency said. Between 71 and 94 people a year die of lung cancer from all causes in Tacoma.

The new standard would lower the chances of contracting lung cancer by the most exposed population to two in 100. The estimated increase in lung cancer in the Tacoma area from the emissions would be reduced to one a year.

Mr. Ruckelshaus noted that by public health standards, these are still high risk levels. But he said that in the case of a cancer-causing agent such as arsenic, there is no known threshold of safety.

U.S. Tests Blood Substance In Treating AIDS Patients

New York Times Service

NEW YORK — Researchers at the National Institutes of Health have begun preliminary experiments on patients who have AIDS, or acquired immune deficiency syndrome, to determine if a naturally occurring substance could be used to treat the usually fatal disease.

The substance, called interleukin-2, is so named because it is derived from a type of leukocyte, or white blood cell. Interleukin-2 has been found capable of fighting infection in test-tube experiments with cells from AIDS victims.

Dr. Anthony S. Fauci of the health institutes said Tuesday that the study is involving only four AIDS patients because of the high cost of interleukin-2, about \$125,000 per patient. Three of the four received first doses of the substance earlier this week, he said.

AIDS is a disease characterized by severe damage to the immune system, making its victims susceptible to a wide variety of uncommon infections and a rare type of cancer.

U.S. Restores Disability Aid To Injured Vietnam Veteran

New York Times Service

WASHINGTON — The Social Security Administration said Tuesday that it had restored disability benefits to Roy P. Benavidez, who was severely wounded in the Vietnam War and later awarded a Medal of Honor by President Ronald Reagan.

James M. Brown, a spokesman for the Social Security Administration, said that an administrative law judge in Texas had upheld the claim by Mr. Benavidez. The effect of the decision is to overrule Social Security officials who had moved to cut off benefits for the retired master sergeant.

The case had attracted the interest of some White House officials and of administration critics who said it showed the callousness of the officials running the disability program. At a hearing before the House Select Committee on Aging last month, Mr. Benavidez denounced the administration and said his plight typified the experience of many Americans.

Mr. Benavidez said Social Security officials had initially concluded that he was able to work even though he had two pieces of shrapnel in his heart, both arms and legs were "severely impaired" and one lung was punctured.

Reagan to Push for a Revised Prayer Amendment

By David Hoffman

Washington Post Service

WASHINGTON — President Ronald Reagan told a group of religious leaders that he will push for a revised constitutional amendment to restore voluntary prayer to classrooms when the Senate Judiciary Committee takes up the issue this week.

Mr. Reagan had earlier supported an amendment that would overturn Supreme Court decisions of the early 1960s and allow voluntary school prayer. It stated:

"Nothing in this constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the

United States or by any state to participate in prayer."

Tuesday's revision added the sentence, "Nor shall the United States or any state compose the words of any prayer to be said in public schools."

The Rev. Jerry Falwell, president of Moral Majority, said Tuesday after the White House meeting that the revision was designed to attract additional support for Mr. Reagan's amendment from senators "who have been borderline for fear that some school board or board of education might compose a prayer and force the students to pray that prayer. It now becomes a matter where parents, children and teachers can decide."

Strom Thurmond, the South Carolina Republican who is chairman of the Senate Judiciary Committee, and others who favor school prayer had been asking for a prohibition on state-drafted prayers, according to a White House aide, Morton C. Blackwell.

The committee also is expected to consider another amendment that would allow silent prayer and meditation and the right of students to meet voluntarily for Bible study or prayer at school outside of class hours.



President Ronald Reagan is flanked by the Rev. Jerry Falwell, president of Moral Majority, left, and the Rev. Thomas Welsh, presiding bishop of the diocese of Allentown, Pennsylvania, during a meeting about a constitutional amendment to allow school prayer.

Drought Turns Food Exporters Into Importers

By Jay Ross

Washington Post Service

HARARE, Zimbabwe — The worst drought in this century is forcing most southern African nations to revise economic outlays and seek vast imports of food.

The drought in the past two years across a broad swath of the continent has scorched the earth, leaving fields barren and rivers dry.

South Africa, which has been the food basket that many black African nations have turned to in recent years, has suffered a startling reversal in its agricultural fortunes as a result of the drought.

It is seeking to import 1.5 million metric tons (1.65 short tons) of cornmeal, the staple of southern African diets. Just two years ago after a bumper harvest of 14 million metric tons, it exported 5.4 million metric tons, much of it to its neighbors despite political differences. This year's crop is estimated at one-third of the 1981 record.

South African millers are mixing yellow and white corn even though Africans traditionally do not like the yellow "mealie-meal." Superstition has it that yellow corn affects virility, but some superstitions are going by the boards.

Zimbabwe, the major black African country with a regular food surplus, has had to turn to Western nations for food aid for the first time. It is seeking 15,000 tons of oats and 150,000 tons of wheat, valued at more than \$25 million.

Mozambique, which has a regular grain shortfall of 400,000 tons, will have to import an additional 300,000 tons this year.

Manuel Jorge Aranda de Silva, minister of internal commerce, estimated that a third of Mozambique's 12 million people are suffering from the drought in the south.

"Hunger is a striking reality in these areas," a government report said. It added that about 500 cattle a day were dying for lack of pasture and water. Less than 15 inches (38 centimeters) of rain had fallen in

key agricultural regions of Maputo province, about half the normal amount, the report said.

The Limpopo River, the largest in the country and the source for a vast irrigated rice plantation at Chokwe, is at its lowest level in years. During the normal peak of the rainy season in February the maximum level of the river was about four feet (1.2 meters), compared with an average of 20 feet.

In Malawi, which borders the two countries, the rains came in time to save the corn crop. As a result it has 60,000 tons available for export. It is the only southern African country untouched by the drought. Malawi has given more than 200 tons of food to Mozambique.

Unlike in Ethiopia, there is little likelihood of a large death toll in southern Africa.

"I don't think anyone has to die in southern Africa, if governments can respond by providing relief and pumping incentives into the agricultural sector," a Western food aid specialist said.

Even if precipitation returns to normal with the scheduled start of the rainy season in November, an official of the U.S. Agency for International Development warned, the water table will be down and the loss of livestock will have a "quite striking" impact on the structure of herds for several years.

AID is proposing a \$14-million program for research on semiarid crops for 10 southern African nations as a result of the famine.

"South Africa is hands down the biggest loser in value of crops," the food aid official said. South African economists have estimated that crop failure will cost the country more than \$800 million in lost export earnings.

The government, however, has the wealth to mount a relief program "to absorb the shock," he said.

On the other hand, the people in Mozambique will be "the hardest hit," the expert said, citing "weak food distribution, a crumbling agricultural input system and bad economic policies," a reference to government attempts to apply Marxist principles to agriculture.

Mozambique this year has become the major recipient of U.S. free food aid valued at almost \$10 million. It will doubtless receive additional food from the United States as a result of a \$25-million emergency program for southern Africa announced recently by the State Department.

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Agreement at Madrid

Mark down the Madrid conference on European détente as the occasion for Ronald Reagan's first formal agreement with the Soviet Union and Yuri Andropov's first with America. Against the tension otherwise clouding Soviet-American relations, this demonstration of a capacity to come to terms is the most important result of the negotiations on human rights, cooperation and security that the two countries have been conducting with 30-odd European states, for almost three years.

The agreement has not actually been signed but there seems no doubt that it will be soon. Moscow is not in the habit of pulling the rug out from under its own negotiators. Mr. Reagan has done it only when the negotiators were under his predecessor's instructions.

Credit is due to the negotiator, Max Kampelman, originally Jimmy Carter's appointee. What made it possible for him to continue effectively from one administration to the next was the emphasis of each on keeping in step with America's allies and friends. Washington accepted Madrid as a forum devoted first to building Atlantic unity, and it deferred to the Europeans' obvious special interest in broadening European détente.

The agreement keeps alive and vigorous the

"Helsinki process" begun in the 1970s. Moscow accepted it to win favor for political objectives in Europe; the West accepted it to make life in both parts of Europe more humane and regular. The process committed the signers to obligations and, for enforcement, to a continuing series of conferences at which delivery on those obligations is reviewed.

The Madrid conference reviewed Soviet performance in Poland and Afghanistan and on the matter of human rights in general. It tightened marginally the language of the obligations to which the signers will henceforth be held. It set up a schedule of eight future sessions, some on the expert level, some on the political. One of these, starting in Stockholm next January, will give the Kremlin some chance to make propaganda hay on disarmament. But the session is to address first "confidence-building measures" (advance notice of military maneuvers, for instance) meant to ease the West's fear of a Soviet surprise attack.

It is gritty work to push Moscow to observe human rights commitments adopted in much cynicism. But it would be an unconscionable denial of its basic values if the West, having once taken up the task, put it down.

—THE WASHINGTON POST.

Sudden Civil Rights

During the months before the last mayoral election in Washington there was a flurry of road repair work the like of which has not been seen since the reign of Caesar Augustus. Pot-holes were filled, curbs replaced, streets swept. "Politics," sniffed the cynical. We saw no harm and in fact lots of precedent for this kind of connection. We feel the same way about the recent spurt of activity over at the civil rights division in the Justice Department.

For two-and-a-half years no one in the Reagan administration, least of all the man in charge of enforcing the civil rights laws, William Bradford Reynolds, appeared to care a great deal about the very real problems that continue to burden minorities in America. We heard a lot about what was wrong with busing and affirmative action; there was an unconscionable hesitancy to endorse the extension of the Voting Rights Act, and little interest in initiating lawsuits, let alone expanding rights such as the one guaranteeing fair housing.

Suddenly there has been a pronounced and very public change. In the space of a few weeks

Mr. Reynolds has visited Mississippi with the Rev. Jesse Jackson and returned convinced that there is still widespread voter discrimination in that state; he has vowed to act. Then the president announced that he would send to Congress a new fair housing bill that would put the government squarely into the business of fighting individual cases of discrimination.

Just this week the Justice Department filed suit against the state of Alabama, alleging the continuation of a racially separate state university system. Granted that the government had been ordered by a federal district court in Washington to cut off Alabama's funds or to secure compliance with the law, the Justice Department's action this week signals a tougher position on last-ditch segregation. It is the first such suit filed by the Reagan administration, and it is an important step.

Has all this been undertaken with an eye to neutralizing black hostility in the 1984 election? Maybe. But, like the filled potholes and the resurfaced roads, it is welcome.

—THE WASHINGTON POST.

Other Opinion

Hong Kong on the Table

When Chairman Mao's Red Guards were rampaging through Hong Kong, terrorizing the colony, it was said that China could take Hong Kong with a telephone call. Not much has changed the political outlook of the Beijing regime. Instead of making that telephone call, the Chinese have summoned senior British officials to Beijing for talks on exactly when and how they will take over the British colony.

The second round of those talks opened (on Tuesday) amid much pompous secrecy from both sides. China has pledged publicly to keep Hong Kong capitalist, at least into the next generation. Britain has pledged publicly to "protect the people of Hong Kong"—brave words, but words which, in a crunch, London would be powerless to back up.

Hong Kong is an important port and financial city. New, "progressive" China, aiming to be a world military, economic and political superpower by the end of the century, needs Hong Kong for its vast wealth, the expertise and industrialness of its citizens and the banks there. And Hong Kong, as its residents attest, is indeed Chinese.

But realities are realities, and precipitous demands and actions by Beijing are harmful both to the 5 million Hong Kong residents and the image of China itself to the world. The final disposition of Hong Kong must be reasonable to all parties, most certainly to the capitalist population.

—The Bangkok Post.

When the first round of talks became deadlocked there was a flight of capital out of Hong Kong and the Hong Kong dollar dropped to a low as 7.77 against the U.S. dollar. However, last May Mrs. Thatcher reportedly sent a letter to Mr. Deng indirectly admitting Chinese sovereignty over all of Hong Kong. This has apparently softened the Chinese position.

China's announced policy is to make Hong Kong a "special administrative province." Xi Zhongxun, a Politburo member, has promised that China would not "touch" its capitalistic system even under the next generation of leadership. These assurances, coupled with the

landslide victory of Mrs. Thatcher's Conservative Party on June 9, have caused the Hong Kong dollar to rebound.

We hope China and Britain can reach an agreement which is in the best interests of the people of Hong Kong and also protects the prestige of both nations.

—The Daily Yomiuri (Tokyo).

Mr. Deng and his colleagues are adamant that British rule over Hong Kong should end. They also seem convinced—without a scrap of historical evidence to support them—that the Chinese Communist Party can keep a sufficiently loose rein on a capitalist city like Hong Kong for it to go on prospering.

If this is indeed the Chinese view, Britain's options are decidedly limited. If it rejects China's plans for Hong Kong, it risks provoking an open row that will do more damage than if it accepts them. Perhaps the best thing it can do is to acknowledge, or intimate its readiness to acknowledge, the fact that, the least agreement being what it is, China's claim to sovereignty over Hong Kong is incontestable.

An acknowledgment of this sort should, however, be made contingent upon a clear commitment from Beijing to preserve the administrative and legal system of Hong Kong largely intact. At the same time, opinion makers and public figures in Hong Kong should be encouraged to speak out in favor of a settlement of this sort, rather than standing in awe of Beijing's pronouncements as they have tended to do until now. Otherwise Chinese leaders will be misled into thinking their present plans for Hong Kong pose no problems for the local population.

—The Times (London).

Certainly it is the people of Hong Kong who in this game of diplomatic bluff are wearing the biggest blindfold. Negotiations have to be conducted with proper confidentiality, but the enormous secrecy surrounding the whole issue is excessive. Chinese officials have at least said their views, although often inconsistent. British officials have done nothing at all to prepare public opinion, least of all in Hong Kong, for the future.

—The Guardian (London).

FROM OUR JULY 14 PAGES, 75 AND 50 YEARS AGO

1908: Persians Denounce Russia

ST. PETERSBURG — Despatches received from Tabriz, Persia, show that the situation there is again alarming. Revolutionaries have placarded the walls of the city and the doors of the Russian Consulate with inflammatory manifestos demanding that Russia should cease interfering with the internal affairs of Persia. Yesterday morning the malcontents paraded the streets with a red flag, which they planted on the ruins of the enormous assembly hall. Hearing of this, Reza Khan led a thousand horsemen into the city by the Hindu quarter, the inhabitants of which surrendered a large quantity of arms. The Shah has telegraphed to the governor of Tabriz ordering him to stamp out the rising at all costs.

1933: Wall Street Has a Big Day

NEW YORK — Throwing all hesitation to the winds, Wall Street yesterday took the market by storm and worked up the biggest day since May 1930, with 7,450,000 shares exchanging hands. Buying on this large scale unprecedented since the depression has been really under way—was stimulated by the growing conviction in financial circles and among the public generally that President Roosevelt is determined to go on with his recovery program in the face of all difficulties. Neither the prospect of a rising dollar—which has been predicted for autumn—nor the possibility of lower commodity prices deterring buyers from heavy commitments on the promise of higher business conditions ahead.

American Civil Rights Are Being Enforced

By William French Smith

The writer is the U.S. attorney general.

WASHINGTON — Contrary to much that has been written and said in recent weeks, the Department of Justice is committed without reservation to enforcing America's civil rights laws. Indeed, we are enforcing those laws. Many who charge otherwise know in their hearts that this is true; their real objection can only be to our positions on busing and quotas.

The Civil Rights Act of 1964, together with other civil rights legislation passed before and after that act, gives the department the chief responsibility for ensuring that racial bigotry does not poison the lives of individuals and their communities. Specifically in matters of public education, public employment, housing, credit, voting and that most basic right to be left in peace, able to live without the threat of racial violence, my department must ensure that justice is done when the law is violated.

Controversies about the administration's performance of its duties almost since the day we took office have raised questions worthy of continuing debate. But some critics have misrepresented our enforcement record, thus creating unnecessary anxiety about our fundamental commitments.

It is time for the critics to look at what we are doing. No one in good conscience can deny that we are proceeding energetically to enforce the law. Last month we objected to several redistricting plans submitted by counties in Mississippi and also sent federal examiners to counties in that state for the purpose of conducting voter registration.

In May we sued two California firms, challenging the use of an apparent quota system to limit opportunities for blacks to rent apartments.

In April we filed suit against a Georgia state hospital, charging that its credit union required black loan applicants to obtain co-signers while failing to require the same of white loan applicants. Also that month, we obtained the conviction of white youths who had beaten to death a young black musician while he was playing jazz one night in a municipal park in Kansas City.

These are but a few, very recent examples of our work. There are more, many more, and they

add up, over the past 30 months, to an impressive enforcement record. The highlights of this record include the following:

• In fiscal 1982 the department filed more criminal civil rights cases than had been filed in any previous year. More grand jury investigations were conducted in that year than in any other.

• The department has reviewed the electoral changes made since the 1980 census was conducted, as required by law, and objected to 135, including statewide redistricting plans in nine states and the redistricting plan for New York City.

• It has been actively involved in more than 100 employment discrimination suits. Fourteen new cases have been filed, and 21 of our cases have been resolved by consent decrees. The department is currently investigating 23 other cases of employment discrimination involving 36 state or local governments and governmental agencies.

• The department has authorized the filing of three school desegregation suits.

• It has conducted more than 60 investigations of discrimination in housing and tried, settled or prepared for trial more than 20 housing cases.

• The department also has broken new ground in its efforts to root out discrimination. Its successful suit against the Chicago Park District marks the first time ever that the federal government has challenged racial discrimination in the allocation of resources within a public park system. And our suit against Cicero, Illinois, still in litigation, marks the first time ever that the federal government has charged both employment and housing discrimination in the same lawsuit.

Suffice it to say that the Justice Department is on the job, doing the job. The law is being enforced. We care about the victims of racial discrimination. We are vigorously pursuing the work of enforcing the national commitment to the elimination of discrimination and racial hatred. So why

has the impression been spread that we are dismantling the civil rights laws and abandoning the national commitment to a just society free of racial discrimination? I can think of only two reasons: Our open and principled opposition to busing as a remedy for school segregation, and our opposition to quotas, under whatever euphemism, as a measure or a remedy for job discrimination.

While a candidate, Ronald Reagan clearly and repeatedly stated his position on these issues. The department has endeavored to implement the president's stated philosophy in a way that is principled, effective and consistent with existing law.

I am gratified that the administration's views on busing and quotas—long reflective, I believe, of the views of the majority of Americans—are now being characterized more fairly, and even being accepted, by some who have disagreed with them.

I shall not rehearse in detail here the arguments against busing and the use of quotas. It is enough to say that, surely, men and women of good will may reasonably believe that busing has not significantly improved educational opportunities for our children—black or white—while it has actually decreased the level of integration as well as the quality of education in many school systems.

And surely one may reasonably believe that quotas have not helped many blacks with disadvantaged backgrounds—who most need help—and have stigmatized many blacks who have been hired under quota plans.

The goal of this administration is a nation where men and women can be what they dare to be, and what they have been willing to work hard to become. It is a nation where individuals are secure from criminal violence and illegal threats, harassment and disparagement on the basis of race. It is the job of the Department of Justice to help provide that security. No one can know how many black doctors or Hispanic engineers there will be when this goal is obtained. There is no right number, no due proportion. What is right and due is that the choice be there.

The Washington Post.

Scapegoating Tokyo Doesn't Help Detroit

By Robert J. Samuelson

WASHINGTON — When So-ke Uno, head of the Japanese Ministry of International Trade and Industry, said Japan will not extend voluntary auto export restrictions past 1984, he got the predictable reaction. "Another Pearl Harbor," said Senator Donald Riegle, a Democrat from Michigan.

Automakers and executives in America are right to be scared about their jobs. But anyone who tells them they can relieve their anxieties simply by shutting out the Japanese is promoting the worst sort of delusion. If Congress didn't embrace severe protectionism during the recent auto depression, chances are that it won't now.

The politics and economics of car manufacturing have both changed substantially in the last five years. The huge Japanese penetration of the American market has progressively weakened the constituency for draconian trade restrictions, even while it has increased the U.S. industry's need to become competitive. Not only do American buyers like Japanese cars, but many dealers now sell both Japanese and American models—a prudent hedge.

If they care about preserving their constituents' jobs, rather than pandering to their prejudices, it is the above message that politicians like Senator Riegle ought to be sending. But the message is missing, not only from congressmen but also from the Reagan White House and, before it, the Carter White House.

Against that background it is difficult to be optimistic about the industry's long-term prospects. Although the recovery will improve sales, employment and profits, these gains seem to be promoting a perverse reversion to old habits. Union demands for large wage increases, which, if granted, would weaken the industry's competitive position or, if refused, would strain labor-management relations.

The industry is better prepared



DETROIT

for competition now than four years ago. As a new Commerce Department report ("The Automobile Industry, 1982") indicates, the auto companies have invested more than \$43 billion since 1979 to introduce fuel-efficient cars and to modernize plants. At many plants, joint labor-management programs have promoted better quality, improved efficiency and reduced hostility.

But, as the report also makes clear, the terms of competition have changed dramatically. Consider: • Until the late 1970s, the big three U.S. firms faced no outside competition in the roughly 85 percent of the market represented by large cars. Now, smaller car sizes and larger Japanese and European models mean that U.S. firms face competition across roughly four-fifths of the market.

• U.S. firms have lost buyers' confidence. In a 1982 survey, Japanese cars scored higher in fuel economy, dependability, workmanship and "value for money." In the last category, 37 percent of the respondents rated the Japanese "excellent" or "very good," against 23 percent for the Americans.

• The American companies are financially weaker than ever. To finance huge investments they have depleted their working capital, eliminated (Ford and Chrysler) or cut (General Motors) dividends and increased debt. Long-term debt jumped from \$500 million in 1979 to \$10.9 billion in 1982.

Even so, the immediate outlook is not dismal. Before Mr. Uno's pronouncement, Wall Street analysts were predicting that rebounding sales and industry cost-cutting measures would blow 1984 profits. On the estimated sales of 10 million, up from 8 million in 1982, Ann Knight of Paine Webber forecast 1984 profits of \$15 a share for GM (against \$3.09 in 1982) and \$13 for Ford (against 1980-82 losses of \$27).

The prospect of unlimited Japan-

ese imports after March 1984, when today's "voluntary" restrictions expire, now clouds these estimates. Not only could the Japanese market share rise from 22.6 percent in 1982, but competition could limit price increases. The Knight projections assume, for example, a 3.5-percent rise in 1984 producer prices.

The tempting way for the industry and the United Auto Workers to neutralize this threat is protectionism. Companies want to maximize sales and pricing power. The new UAW president, Owen Bieber, wants a profitable industry from which to extract a large contract settlement in the fall of 1984.

Down this path of short-term expediency lies long-term ruin. The steel industry and union tried protectionism in the late 1960s and 1970s. Part of the bargain was labor peace, bought with hefty settlements. These squeezed profits and inhibited modernization. Modern protectionism failed to compensate; the industry today is in worse shape.

The rhetoric of job responsibility for protecting jobs lies with the government, not workers and firms. This encourages precisely the sort of irresponsibility that destroys jobs. With average auto labor costs exceeding \$19 an hour in 1982—compared with the U.S. manufacturing average of \$11.79 and the Japanese automakers' average of

The Threat To Reagan Is Black

By Norman J. Ornstein

WASHINGTON — A late spring meeting in Chicago of black civil rights and political leaders moved a black presidential candidacy in 1984 several steps closer to reality.

The informal gathering did not endorse anyone, agreeing only to explore various possibilities; at present, the Rev. Jesse Jackson seems likely to seek the Democratic nomination. But all this maneuvering raises questions about the likely effect of minority voting in 1984.

Any way you look at it, the answer is bad news for the Republicans.

Although recent preference polls show Mr. Jackson running third among Democrats—behind former Vice President Walter F. Mondale and Ohio's Senator John Glenn—a Jackson candidacy would not be at all likely to expand beyond a black base to turn him into the Democratic nominee against Ronald Reagan.

What it would do is spotlight Mr. Jackson in the media, make him a top spokesman for blacks and their concerns and force the other Democratic candidates to articulate support for black-related policy goals.

Of course, it would also have an effect on the prospects of the other Democrats. Conventional wisdom suggests that a Jackson candidacy would hurt Mr. Mondale most. The front-runner would see at least some of his support drained off, particularly among black precinct captains, county chairmen and party officials.

A black candidacy could hurt Senator Glenn in his strongest region, the South. And it would deflect some liberal support from California's Senator Alan Cranston.

Whatever its effect on the Democratic nomination, a black candidacy would heighten blacks' interest in presidential politics—leading to more voter registration and therefore a higher turnout. And therein lies the bad news for Republicans.

For months, reports have emanated from the White House that President Reagan had "written off" the black vote. Those reports may be accurate; of more significance, they reflect a political commonplace. There is virtually nothing within the realm of possibility that Ronald Reagan could do in 1983 and 1984 that would bring him more than 5 to 10 percent of the black vote.

The real issue, though, is what the black vote will be. How many blacks will turn out at the polls next November? If the black turnout is low or average, a Democratic presidential candidate could get 95 percent of the black vote and still not hurt a Reagan re-election bid. But if the black turnout is high, the threat to Mr. Reagan, in states whose electoral votes he needs, begins to mount.

The Chicago mayoral election demonstrated that blacks, when sufficiently motivated, can turn out in impressive numbers that rival or exceed white turnout. True, Chicago's polarized campaign was unique.

All in all, there are two factors should cause rising Republican concern. A black candidacy in the primaries would inevitably bring a major effort to increase registration of minority voters. All evidence suggests that, with the registration barrier surmounted, turnout would go up by a significant margin.

The second factor is voter motivation. Black candidate or no, the Reagan administration is behaving in ways that give black Americans plenty of motivation. Besides high unemployment and budget reductions in social programs (which hurt minorities more than others), the administration has taken symbolic steps that have angered the black community and underscored the prevailing image of Mr. Reagan as an adversary of black interests.

The firing of three members of the U.S. Civil Rights Commission was one step. Then there was the administration's fight, defeated by the U.S. Supreme Court, against the ban on federal aid to segregated schools.

The trip to Mississippi by Assistant Attorney General William Bradford Reynolds, with Jesse Jackson, was a step in the other direction. But that trip also served to highlight the opposition to affirmative action policies in the Department of Justice under President Reagan.

In other words, the administration is firing up black voters, increasing the chances of a higher turnout in 1984. Add that to a black presidential candidacy, and we could see a record minority turnout next year—giving the Democratic Party a better shot at winning back the White House.

The writer is a visiting scholar at the American Enterprise Institute for Public Policy Research, and co-author of the forthcoming "The American Elections of 1982." He contributed this comment to the Los Angeles Times.

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An Indian Heart Surgeon Bucks the Brain Drain

By Pranay Gupta

NEW DELHI — Fifteen years ago a young man just out of medical school left India to make his fortune in the United States, where he became a skilled heart surgeon. But instead of living happily ever after on his six-figure income, Naresh Trehan is coming home again.

Reversing the traditional "brain drain," Dr. Trehan is bringing a dozen other doctors with him. They are starting what may be the most comprehensive heart institute in the Third World. It is to be a prototype of a medical institution for developing countries—treating patients but also researching the special conditions in poor countries that cause or exacerbate heart diseases.

The institute represents an unusual arrangement. Staff members will be sent regularly for free training at Dr. Trehan's current hospital, the New York University Medical Center. And physicians from the New York facility will fly over to perform operations and instruct the Indian staff. These services will be donated.

In addition, each physician selected by Dr. Trehan to return to India has agreed to donate half of his time free to the Heart Institute. The institute will be a nonprofit facility with 200 beds and is expected to treat more than 50,000 patients a year. The plan is that treatment will be free or for a modest fee.

"Most of the Indian doctors I know in the United States would love to return to their homeland," said Dr. Trehan, a slim, pleasant man of 36. "Like myself, most of these doctors have reached a point in their professional lives where they don't have to worry about making a living—they are successful and they are financially well-off. Our concern is more about whether top-rate medical

facilities are available, and whether we can get to practice the kind of medicine we want."

Dr. Trehan, who performed nearly 3,000 open-heart operations in New York, had received several offers from Indian hospitals to come back and teach or supervise. But he saw that medical institutions in his homeland lagged by 20 years or more behind U.S. medical centers. He decided to start a new institution.

He approached well-to-do acquaintances in India and the United States and gathered commitments totaling almost \$15 million—the cost of setting up the new institute. He said continued donations will cover operating costs.

The doctor then persuaded the Indian government to donate three acres of choice property in this sprawling city. Construction is under way and the institute is expected to open in about two years.

With its state-of-the-art equipment, the facility will have a computer tie-up to the New York Medical Center. Indians will no longer have to travel abroad for treatment of complicated heart diseases.

When he first shared his plan with Third World friends in New York, they were incredulous. "You could never live in India again, after a comfortable life in the United States," said one. "You will never make as much money in India as you did in

New York," said another. "Why bother to go back and keep fighting the bureaucracy?" asked a third.

"I felt that for me to stay on in the West and keep on being commercially successful would be missing a unique opportunity," Dr. Trehan said. "I felt that to stay on in America would be in a sense morally fraudulent, when I was needed in India."

"Nothing that I'd do in New York would really measure up to the challenge of creating a new medical system altogether. We have the commitment and the motivation."

What he did not mention was that returning to India would mean a considerable financial sacrifice. But, as Naresh Trehan himself put it, the challenge supersedes commerce.

International Herald Tribune.

LETTERS TO THE EDITOR

A German Complaint

Germans still pondering the wisdom of having more U.S. rockets on our soil should study your newspaper: insinuations (masked as objective reporting) that German politicians who speak of reunification are unscrupulous extremists; pathologically anti-German letters from our mailbox that you choose to print; coverage of our country that is often offensively superficial, although always self-confident. The media treatment we receive in the United States itself is yet another story.

All this, and much else, proves how little we have in common with America. It confirms the suspicion that our country is good only as an exposed front-line firing pad.

Why the Sour Note?

Regarding the statement by Michigan's Senator Riegle (reported in "Japan to End Export Bar," IHT, July 1) that "the continuing Japanese attack on our basic industries is another Pearl Harbor..."

Why the constant reminder of

Pearl Harbor by American politicians in connection with disagreements about voluntary Japanese restraint of auto exports? There is no particular evidence of anti-American sentiment in current reports in the Madrid media, despite a substantial Spanish trade deficit with the United States; and orchestrated jingles to the effect that Spaniards ought to "remember the Maine" would be regarded as a sour note indeed.

SAN BON MATSU,
Fuengirola, Spain.

Tokyo's Old Imperial

Regarding "Looking West from Yokohama" (IHT, July 1): The writer draws a comparison between the Hotel New Grand in

Yokohama and "Tokyo's old Imperial, destroyed in World War II." But the Imperial Hotel in Tokyo was not destroyed in the war. It was demolished by the owner much later. I stayed there on and off between 1953 and 1956 and had the pleasure of meeting Danny Kaye, Ava Gardner and many other celebrities.

ANTOINETTE BEST,
Geneva.

Mating and Mischief

Thank you for the editorial "Mating and Mischief" (IHT, July 1). Amid all the stress and gloom, someone had the good sense gracefully to note what it's all really about.

GORDON LACY,
Orleans, France.

SCIENCE

Mosquito: The Enemy Reveals Its Ways

Attraction

Warm air currents attract a mosquito. The mosquito's antennae detect temperature, humidity, and carbon dioxide. Other cues, such as lactic acid, are also believed to play a role.

Repellents

Most efforts to develop repellents have failed. From the victim's perspective, the most effective weapons against mosquitoes remain the old-fashioned repellents, which are believed to interfere with receptors on the insect's antennae. The shape of the repellent molecule may influence its effectiveness, with the more spherical molecule of the left being far more effective than the long, flat one.

By Jane E. Brody
New York Times Service

NEW YORK — As hordes of mosquitoes once again descend on people around the world, reports of ingenious new methods to control this pest promise relief to the evening stroller and porch sitter, the early morning jogger and the sleeper tormented by the insistent hum of a female mosquito in search of a blood meal.

The last decade has given birth to scores of imaginative techniques to battle this 100-million-year-old survivor of countless swats and sprays: from garlic to genetically engineered sterility to the breeding of cannibalistic mosquitoes that do not bite people but devour dozens of the kind that do. Unfortunately, few of these proposals have withstood the ultimate test of preventing people from being bitten.

But even as they have failed thus far to develop powerful new anti-mosquito ammunition to replace old-fashioned, unpleasant repellents, scientists around the country have learned a great deal about what makes the mosquito tick: its

breeding habits, attractions to people, and the workings of its sensory systems, all of which hold the promise of leading one day to something more effective than a belated slap and the blood stain that is evidence of its futility.

Scientific study of the biology of mosquitoes is sparked by much more than an elitist concern for enhancing human comfort. The mosquito is a ubiquitous carrier of dreadful diseases, and mosquito-borne diseases still kill more people in the world than any other cause.

Studies of mosquitoes have mushroomed in recent years so that now, reports Dr. George B. Craig Jr., director of the University of Notre Dame's Vector Biology Laboratory, "about 4,000 research papers on mosquitoes are published each year," a thousand more

than the estimated number of mosquito species. And herein lies the problem. When asked about the habits of mosquitoes, Dr. Craig, one of the foremost researchers in the field, responds with a question: "Which mosquito?"

For *Aedes vexans*, the most common plague of Americans, both country and city, is different from *Aedes excrucians* of northern wooded areas, as well as from *Aedes triseriatus* of the southern woods; *Culex pipiens*, the common house mosquito of the tropics; *Culex quinquefasciatus*, an inland swamp mosquito; *Toxorhynchites* mosquitoes, which eat the larvae of *Aedes aegypti*, the yellow fever mosquito, and so on down through 3,000 different species.

"Three thousand mosquitoes, three thousand stories," Dr. Craig

remarked in an interview last week. To complicate matters, the species of mosquitoes that predominate vary widely from area to area, so that the type that hovers around a city bedroom is likely to be quite different from the one that follows you around the golf course in Maine.

There are mosquitoes that rest during the day and emerge in the dim light of dawn and dusk. Some feed at night, others during bright daylight; still others, like the vector of La Crosse encephalitis, are most active in late afternoon. Efforts to control mosquitoes in one area are often thwarted by invasions from distant breeding grounds. Whereas *A. aegypti* moves not 500 yards from where it emerges, *A. vexans*, a marsh dweller, will travel 20 miles from the outskirts of a city to the

heavy concentration of food (i.e., human blood) within. The salt marsh mosquito, *A. sollicitans*, migrates 30 to 40 miles in search of good things to eat.

Mosquitoes lay eggs in thousands of carefully selected places: tree holes, discarded tires, decorative fountains, flowerpot trays, elephant footprints, pitcher plants, empty cans, forest ponds, salt marshes, low spots in the yard — anywhere that water is likely to accumulate in the near future. Some species of *Aedes* lay their eggs on dry ground that will be subject to future flooding, and the eggs may survive for as long as two years without water.

Mosquito eggs are laid about a hundred at a time, and the eggs develop and hatch into larvae as soon as adequate water is available to support the larvae through four molts and the final pupal stage that gives rise to the airborne adult. The whole process from egg to blood-sucking adult is accomplished in about 10 days, and four to five days after her last blood meal, the female is ready to feed and lay again.

Some mosquito larvae eat bacteria, pollutants and anything else of the right size they can filter from the water. The adult male mosquito is a strict vegetarian that feeds primarily on plant juices and nectar, and in the process pollinates certain flowers. But the females of most species studied to date require, in addition to plant juices, one or more blood meals to provide protein for the development of their eggs. And some are not fussy: They will bite chickens, cattle, dogs, elephants, toads and even snakes to obtain the needed protein. Since mosquitoes have been around a lot longer than people, humans are just incidental hosts that happen to have invaded mosquito territory.

WHAT draws the mosquito to man or woman is a major focus of scientific attention. The leading candidates for attractants are warmth, moisture, carbon dioxide, lactic acid and other odoriferous chemicals that emanate from people. Edward E. Davis, a neurophysiologist at the Stanford Research Institute in Menlo Park, California, studies the highly sensitive receptor cells on mosquito antennae. By installing microscopic electrodes on these cells and then blowing various substances across the antennae, he can measure what they respond to.

"Temperature is a very strong stimulus," he reports. "A single heat receptor on the mosquito antennae can sense a temperature change of only 0.05 degrees centigrade, and if all the receptors are combined, the insect can probably detect a 0.005-degree change." Thus, a female mosquito wandering about in search of food can spot

a likely candidate from the thermal convection currents that surround him.

Mr. Davis added that carbon dioxide and lactic acid, a product of muscle metabolism that is found in sweat and on the breath, are the only other definite attractants, and they act at close range.

According to Dr. Craig, the attractiveness of a woman (to a mosquito) varies with the menstrual cycle. Women are most attractive around the time of ovulation, and least so during menstruation. In general, people differ in attractiveness (given a choice, mosquitoes will bite the most attractive person available, leaving others relatively unbothered), and the same person may be more or less attractive on different occasions. Dr. Craig said.

To decrease one's ability to whet a mosquito's appetite, Mr. Davis suggests frequent bathing to reduce body temperature and lactic acid buildup on the skin and "eating a lot of garlicky Italian food." Garlic, an old wives' tale as a mosquito repellent, seems to work, he said. Garlic extract contains a potent larvicide that in one laboratory test wiped out 100 percent of five different species of mosquitoes.

Researchers are also interested in what attracts male mosquitoes to females, for if Cupid's arrow could somehow be blunted, the next generation of mosquitoes would never see the light of day. The hum of a female's wings that can drive a person crazy at night is the very sound that drives the male into a sexual frenzy.

But since all mosquito wings sound pretty much alike, how does the male find females of the right species?

The most effective anti-mosquito techniques are larvicides used in the water where mosquitoes breed. One, Abate SR-10, a regulator of mosquito growth, prevents the emergence of adult floodwater mosquitoes by keeping the insect in a permanent juvenile stage.

Another effective biological weapon is the bacterium, *Bacillus thuringiensis israelensis*, which the larvae eat only to be poisoned by a bacterial toxin. Still another larval weapon under study is the cannibalistic predator, *Toxorhynchites rutilus*, which eats larvae of pest mosquitoes but cannot itself bite anything. Researchers in Gainesville, Florida, are breeding Big Tox, as the cannibal is called, in a laboratory for release upon the hordes of resident mosquitoes.

As for controlling the adults that directly affect people, Dr. Craig said there were really no adults that are uniformly effective. The best one can do is to use a repellent that contains relatively high concentrations of the ingredient DEET (short for diethyl-methyl-toluamide).

CURRENTS

Sex Hormones Aid Hemophiliacs

BOSTON (UPI) — Sex hormones decrease bleeding in hemophiliacs and may reduce their dependency on blood transfusions blamed for spreading diseases such as AIDS, doctors say. Preliminary research indicated a form of the male sex hormone androgen can increase elements in the blood that help it to clot, two studies reported in the New England Journal of Medicine.

The studies "add pieces to the emerging picture" of sex hormones' role in regulating hemophilia and other diseases not previously thought to be affected by them, an accompanying editorial said.

"This clinical information has become very important in view of the rising concern about the risk of acquired immunodeficiency syndrome (AIDS)," said the editorial by Dr. Jeffrey A. Gelfand of Boston's Tufts-New England Medical Center.

Treatment with danazol, a weak form of androgen, decreased hemorrhaging in four people with hemophilia and one with a related disorder called Christmas disease. It also reduced the patients' need for blood transfusions, said researchers at the National Institutes of Health in Bethesda, Maryland.

European Center on AIDS Named

COPENHAGEN (UPI) — The Danish Cancer Research Institute and Hospital in Aarhus has been designated as the European center for the combat of the feared Acquired Immune Deficiency Syndrome (AIDS), the World Health Organization announced.

The WHO also announced that a European conference will be convened at Aarhus in the middle of October to gather AIDS-researchers from the world over and coordinate research methods. AIDS is an incurable viral illness which has spread to 16 countries and claimed more than 2,000 victims, predominantly homosexuals. "Six hundred people have so far died of the illness," said Donald Hopkins, Assistant Director of the American Center for Disease Control. "Few have lived more than two years after having contracted the virus. None has lived more than three years."

Ventriloquism Practiced by Crickets

BAGUIO, Philippines (Reuters) — Crickets, nature's violinists, are also ventriloquists and may even act as thermometers, according to research workers at a northern Philippines university.

Michael Alcock, an entomologist, said research teams at Mountain State Agricultural College found that crickets could direct the sound of their chirp by raising and lowering their forewings as they sawed the "file" on one wing against the "scraper" on the other. "Crickets become ventriloquists to deceive their pursuers. Even in a laboratory we found it hard to locate a cricket when it wanted to evade us," he said.

Homing of Pigeons Linked to Smell

MUNICH (Reuters) — West German scientists say they have conducted experiments confirming a theory that homing pigeons navigate by sense of smell.

Researchers from the Max Planck Institute for Physiological Behavior at Seewiesen, in Bavaria, say that their experiments show that homing pigeons could normally return to base from a distance of about 700 kilometers (450 miles). But if the birds' sense of smell was suppressed their maximum navigation radius was reduced to just 50 kilometers (30 miles), the scientists said.

They said it was possible there was a mystery substance in the atmosphere whose concentrations helped pigeons, and other birds, to navigate.

New Mechanical Hand Developed

PHILADELPHIA (UPI) — A mechanical hand that can imitate the grasping function of the human fingers and thumb has been developed for industry by a mechanical engineering student at the University of Pennsylvania.

Developers of the device say it has more dexterity and usefulness than others currently used in industry. The hand, called the Pennsylvania Articulated Mechanical Hand, has three fingers, each with two joints, and one of the fingers can move about the base of the hand to oppose the other two, imitating the function of the thumb, said Dr. Burton Paul, professor of mechanical engineering at the university.

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July 14 '83

Dow Jones Averages

| | Open | High | Low | Close | Change |
|--------|---------|---------|---------|---------|--------|
| 30 Ind | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| Indus | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| Transp | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

Standard & Poor's Index

| | Open | High | Low | Close | Change |
|-----------|--------|--------|--------|--------|--------|
| Composite | 164.44 | 164.88 | 164.00 | 164.44 | +0.44 |
| Indus | 164.44 | 164.88 | 164.00 | 164.44 | +0.44 |
| Transp | 164.44 | 164.88 | 164.00 | 164.44 | +0.44 |

Odd-Lot Trading in N.Y.

| Month | Buy | Sell | Start | Close |
|----------|---------|---------|---------|---------|
| July | 1074.50 | 1078.00 | 1072.00 | 1075.00 |
| June | 1074.50 | 1078.00 | 1072.00 | 1075.00 |
| May | 1074.50 | 1078.00 | 1072.00 | 1075.00 |
| April | 1074.50 | 1078.00 | 1072.00 | 1075.00 |
| March | 1074.50 | 1078.00 | 1072.00 | 1075.00 |
| February | 1074.50 | 1078.00 | 1072.00 | 1075.00 |
| January | 1074.50 | 1078.00 | 1072.00 | 1075.00 |

Market Summary, July 13

Market Diaries

| Market | Open | High | Low | Close | Change |
|--------|---------|---------|---------|---------|--------|
| NYSE | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| AMEX | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

NASDAQ Index

| Index | Open | High | Low | Close | Change |
|-----------|--------|--------|--------|--------|--------|
| Composite | 164.44 | 164.88 | 164.00 | 164.44 | +0.44 |

NYSE Index

NYSE Most Active

| Symbol | Open | High | Low | Close | Change |
|-----------|---------|---------|---------|---------|--------|
| IBM | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| Microsoft | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

AMEX Most Active

| Symbol | Open | High | Low | Close | Change |
|--------|---------|---------|---------|---------|--------|
| Gold | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

Company Earnings

United States

| Company | Revenue | Profit | EPS |
|--------------|---------|---------|---------|
| Bank of N.Y. | 1074.50 | 1078.00 | 1072.00 |

First Virginia

| Company | Revenue | Profit | EPS |
|----------------|---------|---------|---------|
| First Virginia | 1074.50 | 1078.00 | 1072.00 |

Company Earnings

Bank of N.Y.

| Company | Revenue | Profit | EPS |
|--------------|---------|---------|---------|
| Bank of N.Y. | 1074.50 | 1078.00 | 1072.00 |

First Virginia

| Company | Revenue | Profit | EPS |
|----------------|---------|---------|---------|
| First Virginia | 1074.50 | 1078.00 | 1072.00 |

Wednesday's NYSE Closing Price

Tables include the nationwide prices up to the closing on Wall Street.

NYSE Index

| Symbol | Open | High | Low | Close | Change |
|-----------|---------|---------|---------|---------|--------|
| IBM | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| Microsoft | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

AMEX Stock Index

| Symbol | Open | High | Low | Close | Change |
|--------|---------|---------|---------|---------|--------|
| Gold | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

NYSE Most Active

| Symbol | Open | High | Low | Close | Change |
|-----------|---------|---------|---------|---------|--------|
| IBM | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| Microsoft | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

AMEX Most Active

| Symbol | Open | High | Low | Close | Change |
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NYSE Index

| Symbol | Open | High | Low | Close | Change |
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| IBM | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| Microsoft | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

AMEX Stock Index

| Symbol | Open | High | Low | Close | Change |
|--------|---------|---------|---------|---------|--------|
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| Symbol | Open | High | Low | Close | Change |
|-----------|---------|---------|---------|---------|--------|
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| Symbol | Open | High | Low | Close | Change |
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| Company | Revenue | Profit | EPS |
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|-----------|---------|---------|---------|---------|--------|
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AMEX Stock Index

| Symbol | Open | High | Low | Close | Change |
|--------|---------|---------|---------|---------|--------|
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NYSE Most Active

| Symbol | Open | High | Low | Close | Change |
|-----------|---------|---------|---------|---------|--------|
| IBM | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |
| Microsoft | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

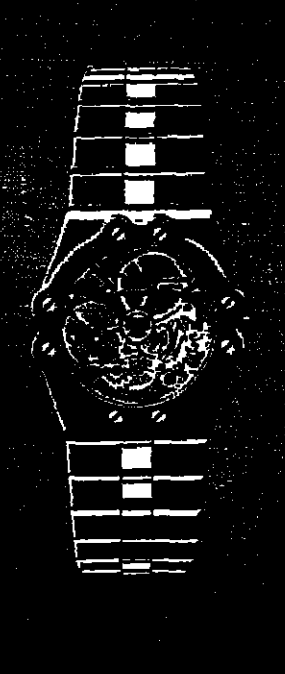
AMEX Most Active

| Symbol | Open | High | Low | Close | Change |
|--------|---------|---------|---------|---------|--------|
| Gold | 1074.50 | 1078.00 | 1072.00 | 1075.00 | +0.50 |

Company Earnings

| Company | Revenue | Profit | EPS |
|--------------|---------|---------|---------|
| Bank of N.Y. | 1074.50 | 1078.00 | 1072.00 |

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THURSDAY, JULY 14, 1983

WALL STREET WATCH

By EDWARD ROHRBACH

Experts on a U.S. Television Show Have Been Beating the Dow Average

Ten million Americans can't be wrong — every Friday night they watch "Wall Street Week," making it a top-rated television show on the Public Broadcasting System.

The host, Louis Rukeyser, irreverent and witty about the market, takes the approach that investors, particularly the "little guys," have the right to get straight answers from the experts. Friday's guest was Martin S. Feldstein, chairman of the President's Council of Economic Advisors.

The show's producer, Rich Dubroff, said he always instructs guest experts before coming on to act "like you're talking to truck drivers — and the economists will understand." Mr. Rukeyser, himself, makes it a point to emphasize the hazards of investing, and he frequently warns viewers about top stock picks and market times and trends. And for perspective, he adds: "It's only your money, not your life."

All the guest panelists appearing on "Wall Street Week" — 17 since the first of the year — have beaten the performance of the Dow Jones average in their stock selections for 1983. Robert Nurock, who manages his own investment advisory service in Philadelphia, stands tallest, with a big 60 percent gain. Incidentally, Mr. Nurock's "clues," 10 technical indicators displayed each show, are currently flashing a "sell" signal on the market.

Regular panelists in their 1983 recommendations are led by Bernadette Bartels of Shaw & Co., with a 56 percent gain. Her new picks for the year's second half are Big Three, Tandem, Polaroid, Ozark and Piedmont. She expects the Dow to close at 1,305, its high for the year, with a 1,095 low.

Pete Calhoun, of Emerging Growth Partners, has racked up a 47 percent increase and likes Hastings Manufacturing, UMC Electronics, Halliburton, Electronics, Subaru and Speer Industries. He envisions a 1,325 high on Dow, a low of 1,045 and a close of 1,275.

Martin Zweig, editor of Zweig Forecast, is up 45 percent so far in 1983, and recommends Durr-Fillmer, USAir, Chrysler, General Defense, Raymond Engineering, Cooper-Vision and Trust Co. of Georgia. His forecast for the Dow is the most bullish: a 1,340 year-end close — also the high — and a low of 1,170.

Monte Gordon, research director at Dreyfus, has had a 20 percent increase in his picks. From here on out he recommends Chrysler, Ford, SmithKline Beckman, Wall-Mart, Prime Computer, Snap-On Tools, Magic Chef and Caterpillar. He figures that the Dow will hit a high of 1,330 at year-end, touching a low of 1,150 in the last six months of 1983.

Last year, in their mid-1982 review, panelists were just like about everyone else on Wall Street. The Dow on July 2 stood at 797, only 20 points short of its ultimate 1982 low. Their average prediction for the year's high was 869, compared with 1,070 actual and a year-end 831, while the Dow actually closed at 1,047. Their average low forecast was 711, with Mr. Zweig — who quickly became one of the market's top stock pickers after the August rally began — guessing a low of 640. Stay tuned.

'People are too jittery about the money supply — figures that even the Fed itself finds difficult to interpret.'

Seeing Market as Secular

"We're constructive on U.S. stocks because the trend in interest rates is down, not up," said Hermann Schweizer, manager of institutional investments at Bank Julius Bär in Zurich. "We see the bull market as secular rather than cyclical, hopefully lasting years."

Short-term, he allowed, there may be a correction, but only a mild pullback, with the damage mainly hitting individual stocks where earnings projections fall short.

"People are too jittery about the money supply — figures that even the Fed itself finds difficult to interpret and it's a little ridiculous for so many outside 'experts' to pretend they know better," said Mr. Schweizer, who recently visited Washington, D.C., and the Federal Reserve.

For its portfolio, he said Bank Bär is continuing to buy IBM — "the best computer company" — and General Electric. It also favors "big oil," notably Atlantic Richfield and Standard Oil of Indiana.

Bank Is 'Keen to Buy'

The bank is "keen to buy," he added, such insurance stocks as Cigna and Kemper, pointing out that interest-sensitive issues have not shown much strength lately on Wall Street. But he did not include money-center banks, fearing their exposure to Third World debt. Attractive regional banks that he mentioned are Barnett Banks of Florida and Colorado National.

Another favorite is Donaldson Lufkin & Jenrette, the brokerage house. Joseph Granville, who has not been invited to appear lately on "Wall Street Week" as a guest expert, is offering this advice in his market letter: "Sell all stocks! The speculative bubble has swelled to the breaking point. Recent volume records in the American Stock Exchange and the Over-the-Counter market bear this out. Such volume peaks against the current background of technical deterioration underscores the terminal nature of the entire 10-month rise. Note that the new volume stories will be coming from those who bought put options at the right time, Texas Instruments being merely the starting point."

CURRENCY RATES

Interbank exchange rates for July 13, including bank service charges

| | U.S. | U.K. | FR. | GER. | IT. | SP. | JP. | SE. | DK. | N. |
|-------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Australia | 2.00 | 1.12 | 1.12 | 1.12 | 1.12 | 1.12 | 1.12 | 1.12 | 1.12 | 1.12 |
| Canada | 1.00 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 |
| France | 1.00 | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 |
| Germany | 1.00 | 0.48 | 0.48 | 0.48 | 0.48 | 0.48 | 0.48 | 0.48 | 0.48 | 0.48 |
| Italy | 1.00 | 0.36 | 0.36 | 0.36 | 0.36 | 0.36 | 0.36 | 0.36 | 0.36 | 0.36 |
| Japan | 1.00 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 | 0.007 |
| Netherlands | 1.00 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 |
| Sweden | 1.00 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 |
| Switzerland | 1.00 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 |
| UK | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

INTEREST RATES

Eurocurrency Deposits July 13

| | 1M | 3M | 6M | 12M | 18M | 24M | 36M | 48M | 60M |
|-----|------|------|------|------|------|------|------|------|------|
| 1M | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| 3M | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| 6M | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| 12M | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |

Key Money Rates

| | Rate | Rate | Rate | Rate | Rate | Rate | Rate | Rate | Rate |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Discount Rate | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| Federal Funds | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| Prime Rate | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 |
| Broker's Loan Rate | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 |

West Germany

| | Rate | Rate | Rate | Rate | Rate | Rate | Rate | Rate | Rate |
|-------------------|------|------|------|------|------|------|------|------|------|
| Discount Rate | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| Overnight Rate | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| 3-month Interbank | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |

Japan

| | Rate | Rate | Rate | Rate | Rate | Rate | Rate | Rate | Rate |
|-------------------|------|------|------|------|------|------|------|------|------|
| Discount Rate | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| Overnight Rate | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| 3-month Interbank | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |

Talks Set On U.S. Steel Curbs

Compiled by Our Staff From Dispatches

LONDON — Foreign Secretary Sir Geoffrey Howe flew to Washington Wednesday in a bid to roll back U.S. trade restrictions on European steel and other products.

One of Sir Geoffrey's expected targets was the order issued by President Ronald Reagan last week imposing tariffs and import quotas on specialty steel.

President Reagan acted to cushion U.S. suppliers from foreign competition. Prime Minister Margaret Thatcher, usually a strong supporter of Mr. Reagan, denounced the order.

The Reagan administration responded Tuesday to West European charges that the restrictions were contrary to the free-trade spirit of May's Williamsburg summit meeting.

When the United States stands up and defends its trade position, somebody is always going to cry protectionism," Commerce Secretary Malcolm Baldrige said. "But we can't have free trade in the world unless we have free trade laws... This was a perfectly right decision on the part of the president."

British commentators have warned that Mr. Reagan's steel order and other U.S. trade restrictions could spark a trans-Atlantic trade war.

The European Community's Foreign Affairs Council is scheduled to meet in Brussels Monday to work out a common position on the U.S. restrictions.

British officials also said Sir Geoffrey will seek to water down the U.S. Export Administration Act. Reagan administration officials have asked Congress for power to impose import bans, for national security reasons, against companies that violate U.S. export controls. Some Europeans interpret this proposal, which is still in Congress, as an attempt to tighten restrictions on trade with the Soviets.

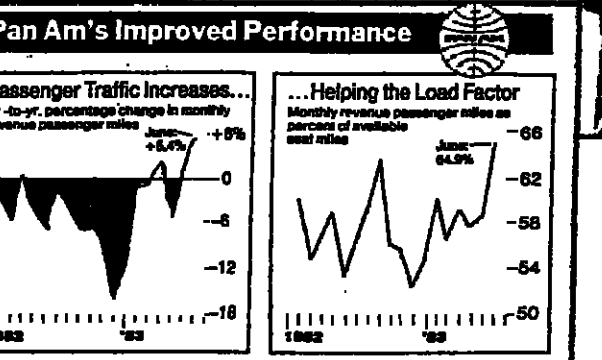
The United States and the EC have agreed to hold consultations later this month on the U.S. curbs on imports of high-quality steel, a European Commission official said Wednesday.

He said the EC raised strong objections to the curbs Tuesday at a meeting of the General Agreement on Tariffs and Trade and was supported by, among others, Spain, Brazil, Canada and the Scandinavian countries.

The official said the consultations would probably take place during the week of July 25. The GATT council will re-examine the issue in late September or early October, he added.



C. Edward Acker, chairman of Pan Am, in the ticketing office of the Pan Am Building in Manhattan. Mr. Acker is expected to be winning his battle to turn around the troubled company through restructuring.



Pan Am Restructuring, Aided By Traffic Jump, Paying Off

By Agis Salpukas

New York Times Service

NEW YORK — From the September day when he took over the helm at Pan American World Airways two years ago, C. Edward Acker has had to scramble to buy the time he needed to restructure the company. As losses mounted, scaring off travel agents and passengers who feared the company's demise, it looked at times like Mr. Acker might be losing the battle.

But with the economy recovering and airline traffic suddenly soaring, Mr. Acker now appears to be winning his fight. Pan Am's passenger loads are rising, and the airline's cash flow is now positive. Even employee morale appears to have turned around.

"We have a much stronger company now," said Mr. Acker, who is chairman, president and chief executive officer at Pan Am.

Mr. Acker is not alone in his assessment. Competitors are beginning to take Pan Am more seriously. And Wall Street analysts and investors are looking with new interest at the airline as a turnaround play. The stock, which had plummeted to 24¢ last year, has begun to climb. It closed at \$7.875 Tuesday. Two of the company's securities offerings so far this year have been snapped up.

"They are making hay while the sun is out," said Robert J. Jodick, an industry analyst at Lehman Brothers Kuhn Loeb Inc., who predicted that Pan Am will be able to cash in on the flood of U.S. tourists to Europe this summer, and that profit for this quarter — normally the company's strongest — may be enough to tide it through the rest of the year.

Mr. Acker, who had earned a reputation as a pragmatic and decisive manager as chairman and chief executive officer at Air Florida, was recruited by Pan Am in 1981 to deal with huge losses stemming from an industrywide decline in traffic, and problems resulting

from its merger the previous year with National Airlines.

At Pan Am, Mr. Acker moved quickly to cut costs, gain labor concessions and restructure its route system. At that time, National's domestic routes simply did not mesh with Pan Am's international system. Mr. Acker shifted most of the domestic fleet to feed into Kennedy International Airport, the center of Pan Am's international service.

Most of the workers affected by these changes were former National employees, many of whom had remained loyal to the old airline, leading to a deterioration in service for a time. But now the route system is working smoothly, and employee discontent has eased.

The changes started to yield dividends earlier this year. With the rationalization of the new routing system, more agents began to book clients on Pan Am's domestic and international flights. Advance bookings for next month, particularly for travel to Europe, are up about 18 percent from a similar period last year.

The increase in passenger traffic began to bring in more revenue. The company's cash flow, always best during the summer vacation season, has improved. In March, the company actually made more money than it spent. That was two months earlier than last year. It now has \$300 million in cash on hand, compared with about \$100 million at the end of June 1982.

After a \$453-million loss last year, the company's losses began to narrow in the first quarter, a trend that Mr. Acker said would continue. He declined, however, to give specific earnings projections because the company is still in a 90-day registration period for a stock offering in May.

For the longer term, what pleases Mr. Acker most is that the restructuring has put Pan Am in a strong

(Continued on Page 9, Col.1)

Chrysler to Pay Off Last of U.S.-Backed Loans 7 Years Early

The Associated Press

WASHINGTON — Chrysler Corp., the No. 3 U.S. automaker, has recovered enough from its financial woes to pay off the last \$800 million of \$1.2 billion in federally guaranteed loans seven years early, Lee A. Iacocca, chairman, said Wednesday.

The loans, which are owed to private lenders but guaranteed by the government, were not due to be paid off until 1990. When they were granted in 1980 and 1981, many observers doubted that they would be paid off at all.

The guarantee plan had been approved by Congress and President Jimmy Carter in late 1979 and early 1980 as a way of saving Chrysler, which was widely seen as on the brink of bankruptcy.

Mr. Iacocca, in his speech at the National Press Club, lauded the cooperation of the government, the company and its employees in bringing Chrysler back.

"In a way, maybe it was social democracy at its best," Mr. Iacocca said. "We had help from all levels of government — Capitol Hill, the White House, the state house and city hall. And my question is simply this: What is so wrong with that?"

Earlier in the day, he met with President Ronald Reagan, apparently to tell him of the company's plans.

After approval by Congress and Mr. Carter, the plan was put into effect by a Chrysler Loan Guarantee Board.

When current Treasury Secretary Donald T. Regan became Mr. Reagan's representative on the board after the new president's election, he went along with the \$400-million third installment of the loans in early 1981. But he also warned the company that he would not be so quick to say yes if it came back for the remaining \$300 million in the original \$1.5 billion in guarantees approved by Congress.

Chrysler paid off the third installment of the loans last month, paying it first because it had the highest interest rates.

Since the first loans in 1980, Chrysler has managed a financial

recovery, earning \$172.1 million in the first quarter this year.

Wall Street analysts said that Chrysler was expected to post second-quarter earnings of \$290 million, which would set a quarterly earnings record for the company.

And officials said in Detroit Wednesday that company car sales in early July were up 51 percent from the like period of last year. General Motors' sales rose 48.1 percent in the period.

Chrysler's decision last month to repay part of the loans early caused criticism by union officials who complained that the automaker's workers were being paid far less than their counterparts at General Motors Corp. and Ford Motor Co., the nation's No. 1 and No. 2 automakers, respectively.

The workers had given up millions of dollars in benefits and pay increases as their share of keeping their employer afloat.

Mr. Iacocca said Wednesday, "The United Auto Workers and its members want to share in our success, and we expect to sit down with them shortly and talk it out."

He also mentioned but did not resolve another issue concerning warrants to buy 14.4 million shares of Chrysler stock at \$13 each — which the company gave the government as part of the loan-guarantee deal. The stock's price has risen along with the automaker's fortunes, and it was selling Wednesday for \$31 a share — a potential windfall for the government.

Earlier this year, the company asked the government to give the warrants back, but the request was dropped after it brought criticism from Congress and elsewhere.

Mr. Iacocca said, "We have got to straighten out the warrants issue. I don't want to get into that here, but we will do what's fair and I am sure the government will, too."

Martin Fitzerwiler, a Treasury spokesman, said the guarantee board "considered the warrants question but reached no conclusion. The board indicated they do intend to deal with the issue expeditiously and to resolve the issue relatively soon."

U.S. Says Retail Sales Climbed 0.7% in June

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. retail sales in June climbed 0.7 percent from May, to \$99.1 billion, the Commerce Department said Wednesday.

It was the fourth consecutive monthly improvement and another boost to the economic recovery.

The figures suggested that U.S. consumers, extremely cautious at the beginning of the year, are now taking the recovery seriously, spending more and saving less.

They are also taking advantage of the auto-loan bargains offered by Detroit. April, May and June have all set new auto sales records.

June's retail sales would have gone up 0.5 percent without including autos. In May, when sales overall went up a strong 3.1 percent, 2.6 percentage points of the increase was outside the auto industry.

Food sales and restaurant sales were the only major categories to go down.

The sales figures were adjusted to compensate for recurring seasonal patterns but not for June's inflation, which will not be measured until the end of next week.

Automotive-related sales were up 1.1 percent in June from May, to \$19.4 billion, the department said. Sales of autos alone climbed 1.5 percent, a 32.4 percent improvement from the recession-scattered sales record of June 1982.

Gasoline service station sales were up 1.4 percent, helped by the price increases that kept bubbling at the retail level beyond the April nickel-a-gallon additional excise tax.

Building materials sales were up a healthy 1.3 percent.

Furniture sales were up 0.5 percent in June. Improved sales of home-furnishings sales were attributed mainly to an increase in housing starts and to more transfers of existing homes. Merchants also said that price-cutting promotions continued to be heavy in June, encouraging steady store traffic, which also helped to move regular-priced merchandise.

NYSE Slips as Investors Await Earnings

Compiled by Our Staff From Dispatches

NEW YORK — Prices were off at the close of the New York Stock Exchange Wednesday as a late rally attempt fell a bit short.

The Dow Jones industrial average, which had skidded 17.02 Tuesday, closed off 0.70, to 1,197.81. It had been down nearly five points earlier. Tuesday's setback was the worst since it had fallen 20.94 on June 28.

Declines led advances by a 9-6 margin among the 1,954 issues traded.

Big Board volume was about 69.1 million shares, down slightly from 70.2 million shares traded Tuesday.

Prices were lower in moderate trading of American Stock Exchange issues.

Analysts said investors were waiting to see if emerging second-quarter earnings reports match up favorably to government reports that showed the economy in a strong recovery from a 16-month recession.

A few experts have said that the recovery was progressing at such a rapid pace that inflation may be rekindled. But the Reagan administration and others have rejected that fear.

The market generally is being restrained by rising interest rates

and a drop in bond prices. Bond yields have risen to the point that they are becoming competitive with stocks, analysts said.

Henry Kaufman, the Salomon Brothers economist, created concern Tuesday when he said "an upward bias of interest rates is now in motion" and predicted that federal funds rates, which banks charge one another for overnight loans, would rise to 10 percent.

Several analysts said investors were waiting for Paul A. Volcker, the Federal Reserve Board chairman, to reveal at Senate confirmation hearings Thursday what the Fed's Federal Open Market Committee had decided to do about surging money supply.

Observers do not believe that the FOMC had approved a discount-rate hike at its Tuesday and Wednesday meetings because of foreign debt problems and because the White House has strongly urged it not to act.

Analysts said some investors were encouraged by Chrysler's plan to pay off government-backed loans early and were hopeful that IBM would report strong earnings Thursday.

On the trading floor, Chrysler was active and higher. The company said it will pay off \$800 million in government loan guarantees

in September, seven years before they are due.

Hewlett Packard was lower, with a block of 228,900 shares at 85¢. Other high-technology issues were mixed. IBM, which is expected to release second-quarter earnings Thursday, was active.

Teledyne headed lower after the conglomerate had reported that its second-quarter earnings dropped to \$3.44 a share from \$3.76 a year ago.

Burlington Northern was active. Burlington and several other railroads have been mentioned in takeover speculation involving Western carriers. Among them were Santa Fe Industries, Southern Pacific and Kansas City Southern.

Kaiser Aluminum was lower after the company had reported a \$51.3-million second-quarter loss, a widening from a \$30-million loss in the like period a year ago.

Owens-Corning Fiberglas won support after the company reported a second-quarter profit of \$11.6 million, compared with a \$4.77-million loss a year ago.

Bancal Tri-State edged up. The company posted second-quarter earnings of \$1.63 a share, up from 18 cents a year ago.

Walgreen attracted buyers. Walgreen's third-quarter net totaled 51 cents a share, up from 41 cents.

On the Amer. Imperial Chemical, Dunlop Holdings and Dome Petroleum were active.

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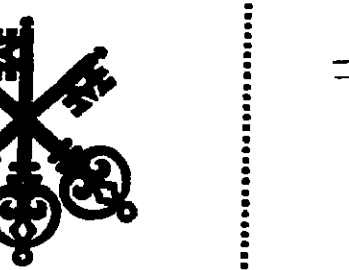
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Peugeot Plans to Abolish 7,570 Jobs, Mostly From Talbot, Unionists Say

PARIS (Reuters) — Peugeot plans to abolish 7,570 jobs, mainly in production, through early retirement and layoffs, trade union sources said Wednesday. Peugeot declined comment on the report until a meeting with the unions July 21.

Industry sources said the Talbot division, which reportedly would take the bulk of the job losses at its Poissy factory west of Paris, had lost much of its share of the French car market. Sales fell to 4.9 percent of the market in the first half of 1983, from 5.6 percent in the half last year.

Peugeot had a net consolidated loss last year of 2.15 billion francs (\$279 million), compared with 1.99 billion in 1981.

FTC Calls Pain-Killer Ads Misleading

WASHINGTON (AP) — The Federal Trade Commission ruled Wednesday that advertising claims for some of the United States' best-known over-the-counter pain relievers were misleading and ordered the manufacturers to drop claims of superiority unless they have clinical proof.

The decision affecting Bristol-Myers's Bufferin and Excedrin products and Sterling Drug Inc.'s Bayer Aspirin, Cope, Vanquish and Midol brands. The FTC also said future advertising in which other pain relievers are compared to aspirin must disclose if the advertised product contains aspirin.

Ambrosiano Administrators Named

LUXEMBOURG (Reuters) — Three partners from the London office of the U.S. accounting firm Touche Ross & Co. were appointed administrators of Banco Ambrosiano Holding (Luxembourg) at a special general meeting Tuesday after the June 8 resignations of the bank's board were accepted, the bank said Wednesday in a statement.

The directors resigned because of a conflict of interest between the board and the majority shareholder, Nuovo Banco Ambrosiano of Milan, over the sales of the Luxembourg bank's assets to meet creditors' demands.

Banking sources said the conflict arose from the board's having represented the bank's creditors rather than its shareholders. The Milan bank did not approve of the board's plan to sell assets of the holding company, which is in default on debts of about \$400 million.

Bankers Open Talks on Polish Debt

WARSAW (Reuters) — Western bankers opened two days of talks Wednesday with officials of Bank Handlowy, the Polish foreign trade bank, on deferring Poland's commercial debt repayments, a senior Polish banking source said.

About 500 banks are owed about \$12 billion. Poland is due to repay \$1.1 billion in interest and \$1.5 billion in principal this year.

The authoritative economic weekly *Zywie Gospodarcze* reported meanwhile that Poland was not meeting its foreign trade targets and that the country's trade balance — the prices it earns and pays in foreign commerce — had significantly worsened. At the same time the government reported that the farm animal population was continuing the decline of the past three years.

World Bank Plans Increased Lending

WASHINGTON (UPI) — The World Bank plans to increase its lending to developing nations by about \$1 billion this fiscal year, according to Moeen Qureshi, senior vice president for finance.

Mr. Qureshi announced Tuesday that the bank's major branches planned loan commitments and credits totaling \$15.3 billion or \$15.4 billion in fiscal 1984, up from \$14.4 billion in fiscal 1983, which ended June 30, and \$13 billion in 1982.

Restructuring Paying Off at Pan Am

(Continued from Page 7)

position at Kennedy International Airport relative to its major domestic rival, Trans World Airlines, and to the other strong European carriers.

That is already showing up in its business at Kennedy. In the past several weeks, Pan Am has been shuttling an average of 20,000 to 21,000 passengers through its Worldport terminal, about 40 percent more than during a similar period the year before.

Noting an increase in worker productivity, company officials said that Pan Am was handling the larger numbers with about 800 employees — about the same number as last year.

Some of the employees are so encouraged by the crowds of travelers that they are putting in extra hours without charging the company for overtime, Richard F. Cozzi, the regional director of services for New York, said during a recent tour of the bustling terminal.

In sharp contrast to last year, when employees were demoralized, "Our passenger service agents smile more, the fleet-service guys are moving faster and the catering guys are taking the time to add that little extra touch," Mr. Cozzi said.

At the company's New York headquarters, Mr. Acker, still basking in the pleasure of having shot a recent hole-in-one on the golf course, predicted that when the carrier enters its lean period next

winter, it will not require the credit breaks and asset sales that it needed to survive the last two winters.

"That's not a realistic concern unless something unusual in the world happens," he said. By unusual, he said, he meant such events as a war in the Middle East, which could disrupt fuel prices and supplies.

The company has also managed to improve its balance sheet, which is giving it more flexibility. The two public offerings earlier this year were both oversubscribed. In January, a \$100-million offering of convertible trust notes secured by aircraft was increased to \$150 million, and still sold out. A similar pattern occurred in May, when a \$50-million offering for unsecured debentures was raised to \$100 million, because of demand.

The company also plans to sell one of its Boeing 747 cargo freighters sometime this year, which could bring in another \$40 million.

Evidence of Pan Am's greater financial flexibility is already visible. It recently chose not to borrow \$18.8 million from General Electric Credit Corp. The money had been lined up last year to enable Pan Am to make rental payments on eight Boeing 727-121 aircraft.

The airline has also been spared having to spend large amounts to buy new fuel-efficient planes, since there are no replacements for the long-range, large-capacity Boeing 747s that are the backbone of Pan

Alleghany's IDS May Be on Upswing

By Michael Blumstein
New York Times Service

NEW YORK — Beginning in 1940, salesmen from Investors Diversified Services Inc. fanned out through the U.S. heartland, urging people to save for their future by buying mutual funds. The pitch worked, and through the 1960s and early 1970s, IDS was the nation's largest mutual fund group.

IDS, the main subsidiary of Alleghany Corp., ultimately lost that distinction when it failed to keep pace in a rapidly evolving financial world. But now, as American Express Co. buys Alleghany's business, it is adding a financial-services concern that some analysts think has successfully diversified into insurance and may be on the rebound.

"I think it's a dynamic company," said Michael A. Lipper of Lipper Analytical Services Inc., which tracks mutual funds. However, in a reference to the brokerage arm of American Express, he added: "It's not as entrepreneurial as Shearson."

American Express Tuesday announced that it would issue common stock, worth about \$1 billion at Tuesday's closing price, to buy Alleghany's two businesses: Investors Diversified Services, the main attraction to American Express, and IDS Industries, a fabricated-steel-products company that American Express said it might sell.

Alleghany, which has only 13 employees at its New York headquarters and has always been very decentralized, will continue to trade on the New York Stock Exchange, although virtually all its assets, at least for the time being, would consist of 15.25 million shares of American Express.

Theodore E. Somerville, Alleghany's general counsel, said the shares might be held or they might eventually be sold or traded.

"We have been in business since 1929 and for most of that period, we've been engaged in the business of holding investments in other corporations," he said.

Last year, Alleghany reported net income of \$62.8 million, or \$6.38 a share, down from \$68.1 million, or \$6.47 a share, in 1981. Revenue slipped to \$1.35 billion

from \$1.37 billion. Financial services contributed 71 percent of revenues and 99 percent of profits.

IDS, based in Minneapolis, runs 14 mutual funds with total assets of \$9 billion, and manages another \$4.1 billion in pension money. It also has \$13.5 billion worth of insurance in force and outstanding investment certificates, which work like savings bonds, with a face value of \$2.5 billion.

Investment certificates were IDS's original product, first sold in 1894. People would invest a certain amount of money and be able to cash in the certificate 10 to 50 years later for the principal, plus a fixed amount of interest. Their popularity has declined in recent years because of changes in tax rules.

Despite its years of leadership, IDS today ranks only eighth in mutual fund assets, according to the Investment Company Institute, which tracks the funds. Merrill Lynch, Pierce, Fenner and Smith Inc. runs mutual funds with more than four times the assets in the IDS funds, and the IDS funds are also easily surpassed by those of Federated Investors Corp. and Dreyfus Corp.

Although all mutual funds took a beating during the slow stock market of the late 1970s, IDS in particular lost ground when it was slow to introduce the money-market mutual funds that attracted billions of dollars because of their high return, Mr. Lipper said.

In addition, he said, IDS's mutual funds had not been "super performers" in recent years. But recently, the company's sever funds that invest aggressively in small growth companies have done well, Mr. Lipper said. IDS, which lost money on its mutual fund operation as recently as 1981, is now showing a profit on that segment of its business.

The company has also suffered because it has been slow to lower the sales fees it charged investors

France's GDP Rose by 0.1%

Reuters

PARIS — France's gross domestic product rose a revised 0.1 percent in the first quarter after an upwardly revised increase of 0.9 percent in the fourth quarter of 1982, the state statistics institute said Wednesday. The latest first-quarter figure is sharply lower than the provisional 0.4-percent rise reported in May.

The institute said it made the revisions, which changed many of its first-quarter and 1982 fourth-quarter estimates, after more detailed information became available.

Imports in the first quarter rose 1.3 percent from a 0.3-percent rise in the fourth quarter and a 1.4 percent drop in the first quarter of 1982. Exports fell 5.1 percent after a 3.5-percent rise in the fourth quarter and a 5.3-percent fall in the first quarter of 1982.

For joining its mutual funds. In an age when many mutual funds charge no sales fees at all, IDS had charges of up to 8 percent as late as last week, when it finally lowered them to a maximum of 5 percent.

Analysis, though, said the company has been quicker to pick up on its middle-class clientele's developing taste for a variety of insurance policies.

"I think they've made an improvement in their product line," said Gary E. Fegley of the annuity-insurance department of Deit Bosworth Inc., a Minneapolis brokerage firm. He noted the addition of new products, including annuities and term life insurance.

"Insurance was the biggest source of earnings last year," Mr. Lipper said. "Considering how rapidly that's growing, for it to have earnings is very positive." When insurance companies are growing, he said, they typically report losses because of the start-up costs involved in writing new policies.

Italy Seeking Strategy For Avoiding Steel Cuts

By Sari Gilbert

Washington Post Service

ROME — The Italian government is desperately trying to wriggle its way out of sharp cuts in steel production demanded by the European Community that would leave tens of thousands unemployed.

With a summit meeting of EC industry ministers scheduled for July 25 on the steel issue, the Italian government is seeking to work out a strategy to convince the EC Commission to pare down its demands for cuts in Italy's steel-producing capacity equal to 5.8 million tons.

The Italian government's official reaction so far to the steel cuts ordered at the end of June is that they are "unacceptable, inapplicable and wasteful."

There has been talk of an appeal to the European Court of Justice and threats of retaliation through an Italian veto of a European Coal and Steel emergency regulation that must be extended to permit the EC to fix national steel production quotas for the coming year.

But these measures appear primarily to be the opening gambits in an Italian bid for renegotiation of its community steel position. An industrial recession is in full swing in Italy and, with steel consumption down 22 percent in the first quarter of 1983, Italian financial officials feel the cuts called for by the EC would be politically impossible to implement.

Giorgio Falck, head of one of Italy's leading private companies, said it would be possible to find new jobs for about 40,000 people who could be affected by the cuts. But the Italian trade unions are strongly opposed to implementing the EC demands and the minister for state industries, Gianni De Michelis, a Socialist, has promised that Cornigliano, the large state-run steel plant near Genoa, will definitely not be shut, as could be-

come necessary if the EC instructions were followed.

Last week Foreign Minister Emilio Colombo met at length in Brussels with EC Industry Commissioner Etienne Davignon and Economics Commissioner François Xavier Ortoli.

But so far the EC has shown no willingness to compromise. The cuts demanded of Italy are part of a package calling for a reduction in EC steel production by a total of 26.7 million tons, and changes in the Italian quota would mean increasing the burden on other countries.

There is little sympathy in Brussels for the Italians. Since 1974, when overproduction and a shrinking steel market first led to concern about the sector's future, Italy — who last year produced 34 million tons, 0.8 percent more than in 1974 — has eliminated only 4,000 jobs from the industry out of a total of 300,000 cut throughout the EC.

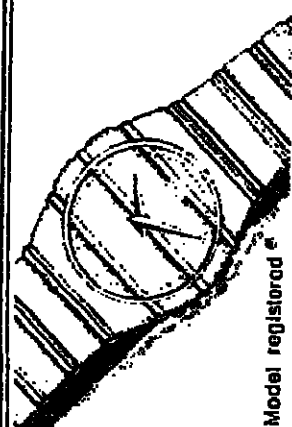
Furthermore, in 1980 the Italians ignored EC requests for industrial restructuring plans until the deadline set for countries wishing to receive related EC aid was imminent.

What Italy then proposed was cuts of 2.6 million tons by the heavily indebted, state-run Finisider steel company. That was judged inadequate by the EC Commission, which ordered that 4.8 million tons be cut by Finisider and a million by Italy's private steel producers, for a total of 5.8 million tons.

The community has offered no blueprint for putting the cuts into effect. Italian industry experts say production would have to be halted not only at smaller Finisider plants but at Cornigliano, where hundreds of workers are on short-term.

Another major problem is that of Bagnoli, near Naples, where delays in the scheduled reopening of a modernized state steel plant designed to make Italy self-sufficient in the production of flat plate has led to protests and demonstrations.

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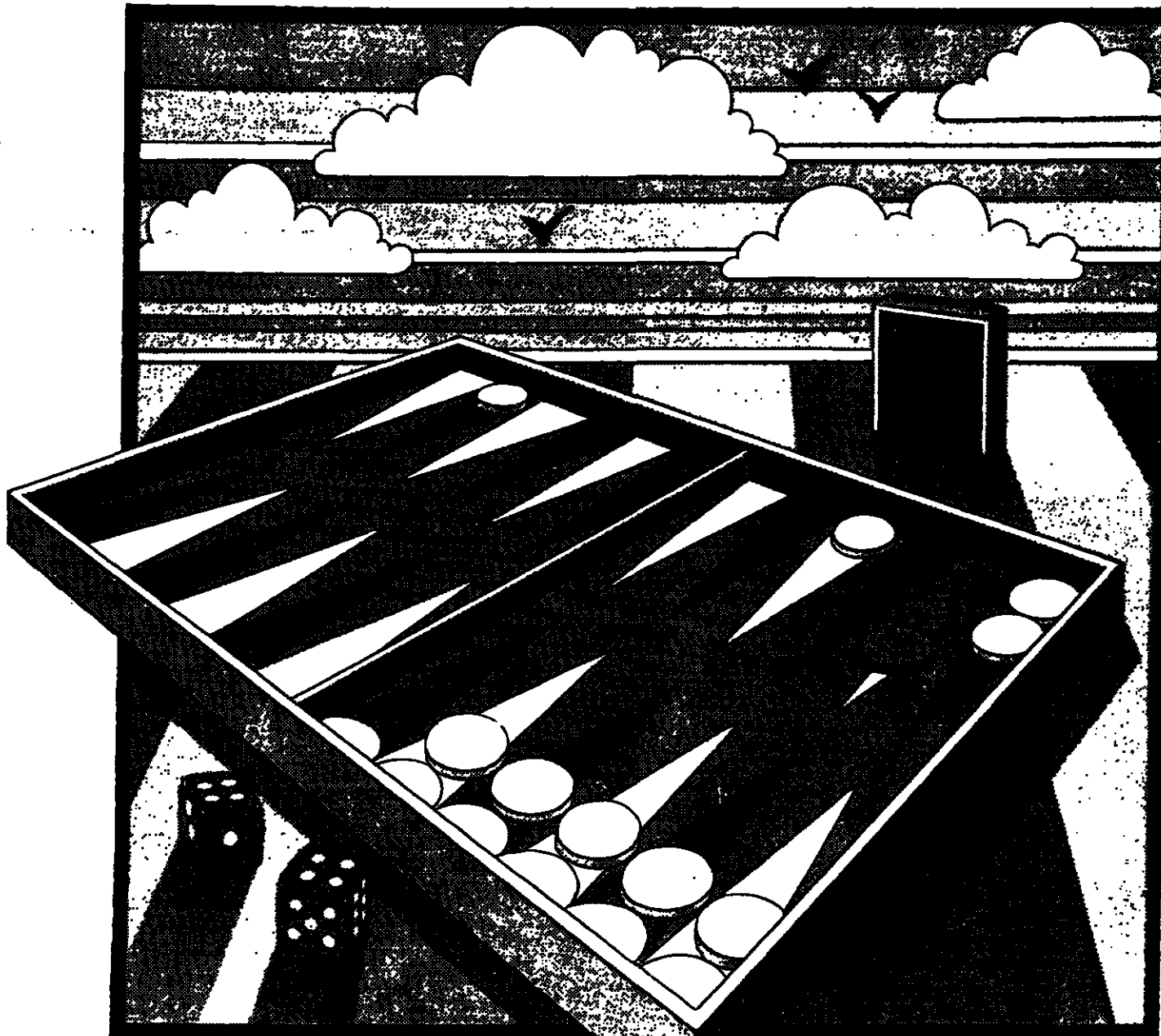
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July 13

| NASDAQ National Market Prices | | | | | | | | | | | | | |
|-------------------------------|------|-----|-----|------|-----|--------|-------|------|-----|-----|------|-----|--------|
| Sides | Bid | | | | Net | Change | Sides | Ask | | | | Net | Change |
| | High | Low | 3pm | Open | | | | High | Low | 3pm | Open | | |
| ADG | 140 | 200 | 270 | 280 | 4 | + | Jetco | 5.72 | 61 | 30% | 19% | 30 | + |
| AGC | 140 | 200 | 270 | 280 | 4 | + | Jirch | 3 | 3 | 30% | 19% | 30 | + |
| AGS | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGT | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGU | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGV | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGW | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGX | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGY | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGZ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAA | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAB | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAC | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAD | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAE | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAF | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAG | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAH | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAI | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAJ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAK | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAL | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAM | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAN | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAO | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAP | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAQ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAR | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAS | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAT | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAU | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAV | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAW | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAX | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAY | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGAZ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBA | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBB | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBC | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBD | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBE | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBF | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBG | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBH | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBI | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBJ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBK | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBL | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBM | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBN | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBO | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBP | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBQ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBR | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBS | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBT | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBU | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBV | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBW | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBX | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBY | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGBZ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCA | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCB | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCC | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCD | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCE | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCF | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCG | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCH | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCI | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCJ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCK | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCL | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCM | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCN | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCO | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCP | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCQ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCR | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCS | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCT | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCU | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCV | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCW | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCX | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCY | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGCZ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDA | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDB | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDC | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDD | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDE | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDF | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDG | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDH | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDI | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDJ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDK | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDL | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDM | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDN | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDO | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDP | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDQ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDR | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDS | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDT | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDU | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDV | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDW | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDX | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDY | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGDZ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEA | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEB | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEC | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGED | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEF | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGED | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEH | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEI | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEJ | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEK | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | 30% | 19% | 30 | + |
| AGEL | 140 | 200 | 270 | 280 | 4 | + | Kov | 3 | 3 | | | | |

By Steve Lohr

BOYDEN

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BOOKS



I'M NOT THAT SMART

Doug Macle

I'LL DO THAT!
THANK YOU VERY
MUCH, DOCTOR!
I HOPE THAT
DENISE DIDN'T
SPOIL YOUR
EVENING!

A cartoon illustration of a dog looking at a bowl of water. A speech bubble above the dog says "COOL LUEL". The bowl is labeled "WATER".

JUMBLE

THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

Unscramble these four Jumbles,
one letter to each square, to form
four ordinary words.

TYREN

DRAIP

FLEMSY

SHARTH

Answer here: A _____

(Answers tomorrow)

Yesterday's
Jumble: THINK· FENCE GIMLET CRAVAT
Answer: Don't expect anyone to talk turkey who's
this—CHICKEN

| EUROPE | | | | ASIA | | | |
|-----------------|----|----|-----|---------------|------|-----|----|
| | G | H | LOW | | HIGH | LOW | |
| Algeria | 22 | 72 | 72 | C | 32 | 72 | fr |
| Austria | 18 | 66 | 66 | C | 32 | 72 | fr |
| Austria-Hungary | 20 | 68 | 64 | C | 32 | 72 | fr |
| Belgium | 20 | 68 | 64 | C | 32 | 72 | fr |
| Bulgaria | 26 | 74 | 74 | C | 32 | 72 | fr |
| France | 22 | 72 | 72 | C | 32 | 72 | fr |
| Germany | 22 | 72 | 72 | C | 32 | 72 | fr |
| Greece | 27 | 81 | 81 | C | 32 | 72 | fr |
| Holland | 22 | 72 | 72 | C | 32 | 72 | fr |
| Italy | 22 | 72 | 72 | C | 32 | 72 | fr |
| Japan | 27 | 81 | 81 | C | 32 | 72 | fr |
| Poland | 27 | 81 | 81 | C | 32 | 72 | fr |
| Romania | 27 | 81 | 81 | C | 32 | 72 | fr |
| Soviet Union | 27 | 81 | 81 | C | 32 | 72 | fr |
| Spain | 27 | 81 | 81 | C | 32 | 72 | fr |
| Sweden | 27 | 81 | 81 | C | 32 | 72 | fr |
| Switzerland | 27 | 81 | 81 | C | 32 | 72 | fr |
| Turkey | 27 | 81 | 81 | C | 32 | 72 | fr |
| U.S.S.R. | 27 | 81 | 81 | C | 32 | 72 | fr |
| Yugoslavia | 27 | 81 | 81 | C | 32 | 72 | fr |
| AFRICA | | | | AFRICA | | | |
| Algeria | 22 | 72 | 72 | C | 32 | 72 | fr |
| Angola | 22 | 72 | 72 | C | 32 | 72 | fr |
| Cameroon | 22 | 72 | 72 | C | 32 | 72 | fr |
| Cote d'Ivoire | 22 | 72 | 72 | C | 32 | 72 | fr |
| Guinea | 22 | 72 | 72 | C | 32 | 72 | fr |
| Kenya | 22 | 72 | 72 | C | 32 | 72 | fr |
| Madagascar | 22 | 72 | 72 | C | 32 | 72 | fr |
| Mali | 22 | 72 | 72 | C | 32 | 72 | fr |
| Morocco | 22 | 72 | 72 | C | 32 | 72 | fr |
| Niger | 22 | 72 | 72 | C | 32 | 72 | fr |
| Nigeria | 22 | 72 | 72 | C | 32 | 72 | fr |
| Senegal | 22 | 72 | 72 | C | 32 | 72 | fr |
| Sierra Leone | 22 | 72 | 72 | C | 32 | 72 | fr |
| Togo | 22 | 72 | 72 | C | 32 | 72 | fr |
| Tunisia | 22 | 72 | 72 | C | 32 | 72 | fr |
| Zambia | 22 | 72 | 72 | C | 32 | 72 | fr |
| LATIN AMERICA | | | | LATIN AMERICA | | | |
| Argentina | 22 | 72 | 72 | C | 32 | 72 | fr |
| Brazil | 22 | 72 | 72 | C | 32 | 72 | fr |
| Chile | 22 | 72 | 72 | C | 32 | 72 | fr |
| Colombia | 22 | 72 | 72 | C | 32 | 72 | fr |
| Cuba | 22 | 72 | 72 | C | 32 | 72 | fr |
| Ecuador | 22 | 72 | 72 | C | 32 | 72 | fr |
| El Salvador | 22 | 72 | 72 | C | 32 | 72 | fr |
| Guatemala | 22 | 72 | 72 | C | 32 | 72 | fr |
| Honduras | 22 | 72 | 72 | C | 32 | 72 | fr |
| Mexico | 22 | 72 | 72 | C | 32 | 72 | fr |
| Nicaragua | 22 | 72 | 72 | C | 32 | 72 | fr |
| Panama | 22 | 72 | 72 | C | 32 | 72 | fr |
| Paraguay | 22 | 72 | 72 | C | 32 | 72 | fr |
| Peru | 22 | 72 | 72 | C | 32 | 72 | fr |
| Puerto Rico | 22 | 72 | 72 | C | 32 | 72 | fr |
| Venezuela | 22 | 72 | 72 | C | 32 | 72 | fr |
| NORTH AMERICA | | | | NORTH AMERICA | | | |
| Canada | 22 | 72 | 72 | C | 32 | 72 | fr |
| U.S.A. | 22 | 72 | 72 | C | 32 | 72 | fr |

[illegible]

By Bernard Lemerle. Translated from the French by William Byron. 208 pp. \$13.95. Coward, McCann. 200 Madison Ave., New York, N.Y. 10016.

Reviewed by
Christopher Lehmann-Haupt

SO I pick up this book called "Deuces Wild," the first novel by a French screenwriter named Bernard Lantic, who according to the dust jacket, was for seven years considered his country's best poker player. It's a terrible title, even more clichéd than the French version, "La Gagne" (The Winner). But I happen to enjoy poker, as well as books about the game, so I start reading.

The first section, called "Prologue: The Draw," takes place in a slaughterhouse, where two homosexual butchers are luring a couple of kids who have beaten them in an earlier game. The plan is for the men to frighten the kids with the awful smell of the place and the presence of a horrible sluglike individual known as Hacek from Chicago, and then to win back their money. The scene is pretty sordid and unsuited, but if you'll pardon a terrible pun, I'm hooked. Anyway, I see that the rest of the chapters are called "Opening," "Second Deal: One Pair," "Third Deal: Two Pairs" and so forth, all the way to "Ninth and Last Deal: Straight Flush," which also keeps us in the game, in a manner of speaking.

As it develops, I have no idea what these
sides have to do with the action in the chapters.
But part of the reason for my incomprehension
is that I'm too absorbed in the story to stop and
figure out what "Straight" and "Flush" have to
do with what's going on. All I know is that a
young man from San Francisco named Bened-
ict Sarkissian is being trained by his Armen-
ian grandfather, a coin dealer known as King
Hov, to take on a multimillionaire banker, Alex
van Heeren, whose passion is power and poker
and whom, for reasons that elude me, King
Hov regards as a hated Turk. The old man
knows that his grandson is ready for this chal-
enge because he is cool and steady enough to
balance three gold coins standing up on edge
on top of one another, even with his grand-
father shouting insults at him.

This is interesting. Even more interesting is the way that Ben initiates his challenge to Van Heeren. Through mutual acquaintances, he gets into a high-stakes game with his target.

denly, at the end of four hours, announces that he's lost his \$20,000 stake and that all of it has gone to Van Heeren. Everyone, especially Van Heeren, realizes that, "To lose exactly \$20,000, it won't be in such a way that only Van Heeren won it, to lose it in exactly four hours; the last dollar at the last minute. Sarkisian had to see through the banker's game in almost every hand, guessing when Van Heeren could win and when he would lose." That meant that Ben had been in control every second of the game through every one of the 200 deals.

On top of this, Ben hands over his losses to Van Heeren in envelopes marked "With the compliments of the Van Heeren Bank," where Ben is employed in a menial job. Van Heeren is furious. He retaliates by arranging to have Ben whipped by a couple of thugs. Ben "calls" this "raze" by showing up at the bank the next day pretending to feel no pain. The contest is on, and the story is well begun. There's a popular attraction about this class of eggs that Lentric seems to understand very well. As Caligore Jordaan, a beautiful woman whose favors Benedict and Van Heeren somehow come to share, points out to Ben: "Of course, there's a trace of homosexuality in all this. You know it. You

And not only does the author evince this psychological insight, but he also succeeds in lending a mythological dimension to his story. "Tall-tale telling" might be a better way of putting it. But however you want to describe it, the story works.

The only thing that really bothers me as I'm reading along is that not one of the poker games that Ben keeps winning in the course of the duel is actually described. All that Leatrice will say is that even when luck is against him, Ben Sarkisian keeps winning like a rascaille! This vagueness begins to annoy me so extremely that I make up my mind that if the story winds up without a single game's being recounted, I'm going to give away the ending no matter how cleverly the lack of actual poker is smoothed. After all, he has lured me with poker, and by golly, he had better give me some poker!

... But now that I've finished the book, I've changed my mind. I'm not going to tell the ending, though that doesn't necessarily mean it describes some specific games. All I'm willing to say is that, in the end, Ben gets into the biggest game of his life. Not only does he have to go up against Death himself, but he even has to play a couple of Texans: it's very cleverly worked out. If you think I'm bluffing you, all you have to do is read "Dances With Wolves."

Christopher Lehmann-Haupt is on the staff of The New York Times.

By Alan Truscott

TO most people a *carapè* means an appetizer. The bridge term, common in Europe but unfamiliar on this side of the Atlantic, also refers to a something that whets your partner's appetite.

In some rare situations standard bidders may find that a snafu has grown out of the logic of the auction without any special partnership understanding.

On the diagrammed deal, North chose to pass as dealer with a hand that was opened at most tables. In fourth position West ventured one spade, assuming to pass any response, and this generated a part-score

North doubled, hoping that his partner would not bid clubs, and East showed a moderate balanced hand with a bid of one notrump. When East bid two spades on the next round it was clear that he held exactly three aces.

Meanwhile South had bid parts rather than clubs because he tookout double strongly suggested a contract in the unbid major suit. When he then showed with three clubs it was clear that his club suit was weaker. With five hearts he could have persevered in that

NORTH (C)

▲A04
▽J582
●M752
●A.J

WEST EAST

▲K32
▽A8
●A554
●A3

▲735
▽K43
●K73
●A763

SOUTH

▲82
▽Q874
●Q
●KQ553

North and South were victorious
The bidding

| North | East | South | West |
|-------|------|-------|------|
| Pass | Pass | Pass | 1♥ |
| Def. | 1N/1 | 2♥ | Pass |
| Pass | 2♦ | 3♦ | Pass |
| 1♥ | Pass | Pass | Pass |

West led the spade three.

suit; and with 4-4 he would not have taken further action.

Now it was West's turn for a campé. Three diamonds suggested a better contract, a suggestion that would not have been made holding five spades and therefore a sure 8-and fit.

East would have passed three diamonds, a contract that would no doubt have failed by one trick, but North decided to persevere in hearts, judging that his high cards would all pull their weights.

West led a low spade. South naturally played low from dummy, to maximize the chance of two tricks in the suit and offer a chance of three. —

East won with the jack and shifted to the diamond king, a key move. Next came the diamond jack, forcing a ruff, and South led a trump. West played the ten, and when East won with the king he played his last diamond to force another ruff.

South finished the spade queen successfully, and should now have called the spade ace. Instead he ruffed dummy's last diamond with his last trump, and East took the opportunity to discard his remaining spade.

When South took the ace and king of clubs and had the lead in the closed hand in this position:

NORTH
 ♠ A
 ♥ 10 5 2
 ♦ 10 9 8 7
 ♣ —
 WEST
 ♠ K 5
 ♥ A
 ♦ A
 ♣ —
 EAST
 ♠ 10 3
 ♥ —
 ♦ —
 ♣ 8 7
 SOUTH
 ♠ 10
 ♥ —
 ♦ —
 ♣ Q J 6

South played a club winner and threw the spade from dummy when West ruffed with the heart ace. But now any lead from West served to promote the heart five in the East hand as the setting trick. The five came alive.

[illegible]

ART BUCHWALD

Program for Inaction

WASHINGTON — The home computer business is in a lot of trouble. It would be nice to blame the Japanese for it all, but they never really got into the action.

One of the reasons the business got into difficulty is the female gender problem. Women still don't appreciate the value of a home computer and what it can do to make their lives easier.

When I set up my brand-new computer one night, my wife asked why I bought it.

"This is going to change our lives. We can do our taxes on it."

"H & R Block did them already."

"Well, we can do them next year," I said. "We also can compute our household expenses on this machine. Give me all our bills and I'll start programming them."

"You have to be kidding. It will take me three months to find all our bills. Would you take my word for it that we spent \$10,000 more than you made in 1982?"

"All right, I'll put that into the computer."

"What does the computer say about that?"

"It says we spent \$10,000 more than I made. Why don't I try balancing your checkbook? Give me all your stubs."

"What for?"

"What for?"

"What for?"

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Lartigue's World of Women



Paris street scene, 1911.



Auvergne farm woman, 1910.

PARIS — At age 5, Jacques-Louis Lartigue started his diary. Two years later, with a camera his father gave him, he took his first photograph. From then on, he kept his diary daily and took pictures almost every day. From 1915 he also painted, his favorite pastime.

Today, vigorous and clear-eyed in his 90th year, Lartigue is having one of his most successful exhibitions, at the Grand Palais (to Aug. 31). Titled "Femmes de Mes Amis et de Mes Amantes," Lartigue is showing his vision of women throughout the century. From his many and brief encounters with the First World War to the fashion of the Versailles palace in 1900 and shots of his four wives, he records fashion, lifestyle and changing mores. He does it superbly, and in his defense Lartigue claims that he "always felt comfortable in the presence of women."

In 1979, Lartigue donated his works to the French state and 200,000 documents (albums, negatives, sketches and paintings) are stored in a wing of the Grand Palais.

C.G. CUPIC



Self-portrait on film set, 1932.



Josephine Baker, 1927.



Action, 1904.

Samantha Smith Bids Farewell to Yalta Hosts

Samantha Smith says she will "remain friends across the sea" with the Young Pioneers of the Crimean youth camp where she spent four days at the invitation of the Soviet President Yuri V. Andropov. "I love you," the 11-year-old American girl told some 400 campers to loud applause during a farewell ceremony in Yalta. "My stay at sea camp in Artek has been wonderful, very wonderful," she said in a speech translated into Russian for the campers. The farewell speech was written by her father, Arthur, who said his daughter "went speechless" at a welcome dinner last Saturday night. Samantha then used a microphone to join the other children in a chorus of the Russian song "Always Young." "Come again to Artek," the children chanted. They will return to Moscow before ending their trip July 21. The Soviet Union is exploiting Samantha to portray itself as a promoter of world peace, says Malcolm Toon, a former U.S. ambassador to Moscow. Toon said the girl's visit is a Moscow move to "demonstrate that at least they are generally interested in a peaceful world, and if it turns out not to be that way, it's the fault of somebody else." Toon was the U.S. envoy to the Kremlin from 1976 to 1979.

The Italian journalist Oriana Fallaci, known for her biting interviews of international political figures, ran afoul of the Argentine press in Buenos Aires. There to promote her book, "A Man," on the life of her former companion, the Greek politician Alekos Panagoulis, she harshly criticized Argentine newsmen at a press conference. Dozens of journalists objected loudly, and all but one of the radio and TV talk shows canceled plans to interview her.

The American folk singer Joan Baez hunched with French President Francois Mitterrand Wednesday at the Elysee Palace. "We talked about a lot of things," Baez said after the lunch. "For me the subject was violence, for him it was many, many subjects." The singer is giving a free concert Friday in the Place de la Concorde. "I'll sing love songs, all songs, but the concert, once again, is dedicated to nonviolence," she said.

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